

9 VAC 5 CHAPTER 140.
REGULATION FOR EMISSIONS TRADING.

PART IV.
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Article 31.

CAIR SO₂ Trading Program General Provisions.

9 VAC 5-140-3010. Purpose.

This part establishes general provisions and the designated representative, permitting, allowance, monitoring, and opt-in provisions for the State Clean Air Interstate Rule (CAIR) SO₂ Trading Program, under § 110 of the Clean Air Act and 40 CFR 51.124, as a means of mitigating interstate transport of fine particulates and sulfur dioxide. The board authorizes the administrator to assist the board in implementing the CAIR SO₂ Trading Program by carrying out the functions set forth for the administrator in this part.

9 VAC 5-140-3020. Definitions.

A. As used in this part, all words or terms not defined here shall have the meaning given them in 9 VAC 5 Chapter 10 (9 VAC 5-10-10 et seq.), unless otherwise required by context.

B. For the purpose of this part and any related use, the words or terms shall have the meaning given them in this subsection.

"Account number" means the identification number given by the administrator to each CAIR SO₂ Allowance Tracking System account.

"Acid Rain emissions limitation" means a limitation on emissions of sulfur dioxide or nitrogen oxides under the Acid Rain Program.

"Acid Rain Program" means a multi-state sulfur dioxide and nitrogen oxides air pollution control and emission reduction program established by the administrator under title IV of the CAA and 40 CFR Parts 72 through 78.

"Administrator" means the administrator of the United States Environmental Protection Agency or the administrator's duly authorized representative.

"Allocate" or "allocation" means, with regard to CAIR SO₂ allowances issued under the Acid Rain Program, the determination by the administrator of the amount of such CAIR SO₂ allowances to be initially credited to a CAIR SO₂ unit [or other entity] and, with regard to CAIR SO₂ allowances issued under [provisions of a state implementation plan that are approved under 40 CFR 51.124(o)(1) or (2) or (r) or] 9 VAC 5-140-3880, the determination by [the a] permitting authority of the amount of such CAIR SO₂ allowances to be initially credited to a CAIR SO₂ unit [or other entity].

"Allowance transfer deadline" means, for a control period, midnight of March 1, [(if it is a business day)], or[, if March 1 is not a business day,] midnight of the first business day thereafter [(if March 1 is not a business day)] immediately following the control period and is the deadline by which a CAIR SO₂ allowance transfer must be submitted for recordation in a CAIR SO₂ source's compliance account in order to be used to meet the source's CAIR SO₂ emissions limitation for such control period in accordance with 9 VAC 5-140-3540.

"Alternate CAIR designated representative" means, for a CAIR SO₂ source and each CAIR SO₂ unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source[,] in accordance with Articles 32 (9 VAC 5-140-3100 et seq.) and 39 (9 VAC 5-140-3800 et seq.) of this part, to act on behalf of the CAIR designated representative in matters pertaining to the CAIR SO₂ Trading Program. If the CAIR SO₂ source is also a CAIR NO_x source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR NO_x Annual Trading Program. If the CAIR SO₂ source is also a CAIR NO_x Ozone Season source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR NO_x Ozone Season Trading Program. If the CAIR SO₂ source is also subject to the Acid Rain Program, then this natural person shall be the same person as the alternate designated representative under the Acid Rain Program. [If the CAIR SO₂ source is also subject to the Hg Budget Trading Program, then this natural person shall be the same person as the alternate Hg designated representative under the Hg Budget Trading Program.]

"Automated data acquisition and handling system" or "DAHS" means that component of the continuous emission monitoring system, or other emissions monitoring system approved for use under Article 38 (9 VAC 5-140-3700 et seq.) of this part, designed to interpret and convert individual output signals from pollutant concentration monitors, flow monitors, diluent gas monitors, and other component parts of the monitoring system to produce a continuous record of the measured parameters in the measurement units required by Article 38 (9 VAC 5-140-3700 et seq.) of this part.

"Boiler" means an enclosed fossil- or other-fuel-fired combustion device used to produce heat and to transfer heat to recirculating water, steam, or other medium.

"Bottoming-cycle cogeneration unit" means a cogeneration unit in which the energy input to the unit is first used to produce useful thermal energy and at least some of the reject heat from the useful thermal energy application or process is then used for electricity production.

"CAIR authorized account representative" means, with regard to a general account, a responsible natural person who is authorized, in accordance with Articles 32 (9 VAC 5-140-3100 et seq.), 36 (9 VAC 5-140-3500 et seq.) and 39 (9 VAC 5-140-3800 et seq.) of this part, to transfer and otherwise dispose of CAIR SO₂ allowances held in the general account and, with regard to a compliance account, the CAIR designated representative of the source.

"CAIR designated representative" means, for a CAIR SO₂ source and each CAIR SO₂ unit at the source, the natural person who is authorized by the owners and operators of the source and all such

units at the source, in accordance with Articles 32 (9 VAC 5-140-3100 et seq.) and 39 (9 VAC 5-140-3800 et seq.) of this part, to represent and legally bind each owner and operator in matters pertaining to the CAIR SO₂ Trading Program. If the CAIR SO₂ source is also a CAIR NO_x source, then this natural person shall be the same person as the CAIR designated representative under the CAIR NO_x Annual Trading Program. If the CAIR SO₂ source is also a CAIR NO_x Ozone Season source, then this natural person shall be the same person as the CAIR designated representative under the CAIR NO_x Ozone Season Trading Program. If the CAIR SO₂ source is also subject to the Acid Rain Program, then this natural person shall be the same person as the designated representative under the Acid Rain Program. [If the CAIR SO₂ source is also subject to the Hg Budget Trading Program, then this natural person shall be the same person as the Hg designated representative under the Hg Budget Trading Program.]

"CAIR NO_x Annual Trading Program" means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the administrator in accordance with [this part Part II (9 VAC 5-140-1010 et seq.) of this chapter] and 40 CFR 51.123 [(o)(1) or (2) or established by the administrator in accordance with subparts AA through II of 40 CFR Part 97 and 40 CFR 51.123(p) and 52.35], as a means of mitigating interstate transport of fine particulates and nitrogen oxides.

"CAIR NO_x Ozone Season source" means a source that [includes one or more is subject to the] CAIR NO_x Ozone Season [units Trading Program].

"CAIR NO_x Ozone Season Trading Program" means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the administrator in accordance with Part III [(9 VAC 5-140-2010 et seq.)] of this chapter and 40 CFR 51.123 [(aa)(1) or (2) and (bb)(1), (bb)(2), or (dd) or established by the administrator in accordance with subparts AAAA through IIII of 40 CFR Part 97 and 40 CFR 51.123(ee) and 52.35], as a means of mitigating interstate transport of ozone and nitrogen oxides.

["CAIR NO_x Ozone Season unit" means a unit that is subject to the CAIR NO_x Ozone Season Trading Program under 9 VAC 5-140-2040 and a CAIR NO_x Ozone Season opt-in unit under Article 29 (9 VAC 5-140-2800 et seq.) of Part III of this chapter.]

"CAIR NO_x source" means a source that [includes one or more is subject to the] CAIR NO_x [units Annual Trading Program].

["CAIR NO_x unit" means a unit that is subject to the CAIR NO_x Annual Trading Program under 9 VAC 5-140-1040 and a CAIR NO_x opt-in unit under Article 19 (9 VAC 5-140-1800 et seq.) of Part II of this chapter.]

"CAIR permit" means the [terms and conditions in a] title V operating permit or state operating permit, issued by the permitting authority under Article 33 (9 VAC 5-140-3200 et seq.) of this part, including any permit revisions, specifying the CAIR SO₂ Trading Program requirements applicable to a CAIR SO₂ source, to each CAIR SO₂ unit at the source, and to the owners and operators and the CAIR designated representative of the source and each such unit.

"CAIR SO₂ allowance" means a limited authorization issued by the administrator under the Acid Rain Program, or by a permitting authority under 9 VAC 5-140-3880[, provisions of an implementation plan that are approved under 40 CFR 51.124(o)(1) or (2) or (r), or 40 CFR 97.288], to emit sulfur dioxide during the control period of the specified calendar year for which the authorization is allocated or of any calendar year thereafter under the CAIR SO₂ Trading Program as specified in subdivisions 1 through 3 of this definition. No provision of the CAIR SO₂ Annual Trading Program, the CAIR permit application, the CAIR permit, or an exemption under 9 VAC 5-140-3040 B or 9 VAC 5-140-3050 and no provision of law shall be construed to limit the authority of the United States or the board to terminate or limit such authorization, which does not constitute a property right.

1. For one CAIR SO₂ allowance allocated for a control period in a year before 2010, one ton of sulfur dioxide, except as provided in 9 VAC 5-140-3540 B;

2. For one CAIR SO₂ allowance allocated for a control period in 2010 through 2014, 0.50 ton of sulfur dioxide, except as provided in 9 VAC 5-140-3540 B; and

3. For one CAIR SO₂ allowance allocated for a control period in 2015 or later, 0.35 ton of sulfur dioxide, except as provided in 9 VAC 5-140-3540 B.

4. An authorization to emit sulfur dioxide that is not issued under [9 VAC 5-140-3880, under] the Acid Rain Program, [or] under the provisions of a state implementation plan that [is are] approved under 40 CFR 51.124(o)(1) or (2) [or (r), or under 40 CFR 97.288] shall not be a CAIR SO₂ allowance.

"CAIR SO₂ allowance deduction" or "deduct CAIR SO₂ allowances" means the permanent withdrawal of CAIR SO₂ allowances by the administrator from a compliance account [, e.g.,] in order to account for a specified number of tons of total sulfur dioxide emissions from all CAIR SO₂ units at a CAIR SO₂ source for a control period, determined in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part, or to account for excess emissions.

"CAIR SO₂ Allowance Tracking System" means the system by which the administrator records allocations, deductions, and transfers of CAIR SO₂ allowances under the CAIR SO₂ Trading Program. This is the same system as the Allowance Tracking System under 40 CFR 72.2 by which the administrator records allocations, deduction, and transfers of Acid Rain SO₂ allowances under the Acid Rain Program.

"CAIR SO₂ Allowance Tracking System account" means an account in the CAIR SO₂ Allowance Tracking System established by the administrator for purposes of recording the allocation, holding, transferring, or deducting of CAIR SO₂ allowances. Such allowances will be allocated, held, deducted, or transferred only as whole allowances.

"CAIR SO₂ allowances held" or "hold CAIR SO₂ allowances" means the CAIR SO₂ allowances recorded by the administrator, or submitted to the administrator for recordation, in accordance with Articles 36 (9 VAC 5-140-3500 et seq.), 37 (9 VAC 5-140-3600 et seq.), and 39 (9 VAC 5-140-3800 et seq.) of this part or 40 CFR Part 73, in a CAIR SO₂ Allowance Tracking System account.

"CAIR SO₂ emissions limitation" means, for a CAIR SO₂ source, the tonnage equivalent [, in SO₂ emissions in a control period,] of the CAIR SO₂ allowances available for deduction for the source under 9 VAC 5-140-3540 A and B for [a the] control period.

"CAIR SO₂ source" means a source that includes one or more CAIR SO₂ units.

"CAIR SO₂ Trading Program" means a multi-state sulfur dioxide air pollution control and emission reduction program approved and administered by the administrator in accordance with this part and 40 CFR 51.124 [(o)(1) or (2) or established by the administrator in accordance with subparts AAA through III of 40 CFR Part 97 and 40 CFR 51.124(r) and 52.36], as a means of mitigating interstate transport of fine particulates and sulfur dioxide.

"CAIR SO₂ unit" means a unit that is subject to the CAIR SO₂ Trading Program under 9 VAC 5-140-3040 and, except for purposes of 9 VAC 5-140-3050, a CAIR SO₂ opt-in unit under Article 39 (9 VAC 5-140-3800 et seq.) of this part.

"Clean Air Act" or "CAA" means the Clean Air Act, 42 U.S.C. 7401, et seq.

"Coal" means any solid fuel classified as anthracite, bituminous, subbituminous, or lignite.

"Coal-derived fuel" means any fuel (whether in a solid, liquid, or gaseous state) produced by the mechanical, thermal, or chemical processing of coal.

"Coal-fired" means combusting any amount of coal or coal-derived fuel, alone, or in

combination with any amount of any other fuel.

"Cogeneration unit" means a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine:

1. Having equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or cooling purposes through the sequential use of energy; and

2. Producing during the 12-month period starting on the date the unit first produces electricity and during any calendar year after [the calendar year in] which the unit first produces electricity –

a. For a topping-cycle cogeneration unit,

(1) Useful thermal energy not less than 5.0% of total energy output; and

(2) Useful power that, when added to one-half of useful thermal energy produced, is not less than 42.5% of total energy input, if useful thermal energy produced is 15.0% or more of total energy output, or not less than 45.0% of total energy input, if useful thermal energy produced is less than 15.0% of total energy output.

b. For a bottoming-cycle cogeneration unit, useful power not less than 45.0% of total energy input.

"Combustion turbine" means:

1. An enclosed device comprising a compressor, a combustor, and a turbine and in which the flue gas resulting from the combustion of fuel in the combustor passes through the turbine, rotating the turbine; and

2. If the enclosed device under subdivision 1 of this definition is combined cycle, any associated [duct burner,] heat recovery steam generator[,] and steam turbine.

"Commence commercial operation" means, with regard to a unit [~~serving a generator~~]:

1. To have begun to produce steam, gas, or other heated medium used to generate electricity for sale or use, including test generation, except as provided in 9 VAC 5-140-3050 [and 9 VAC 5-140-3840 H].

a. For a unit that is a CAIR SO₂ unit under 9 VAC 5-140-3040 on [the later of November 15, 1990 or] the date the unit commences commercial operation as defined in subdivision 1 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the [unit's] date of commencement of commercial operation [of the unit, which shall continue to be treated as the same unit].

b. For a unit that is a CAIR SO₂ unit under 9 VAC 5-140-3040 on [the later of November 15, 1990 or] the date the unit commences commercial operation as defined in subdivision 1 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), [such date shall remain the replaced unit's date of commencement of commercial operation, and] the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in subdivision 1[~~-2, or 3~~ 2] of this definition as appropriate.

2. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-140-3050, for a unit that is not a CAIR SO₂ unit under 9 VAC 5-140-3040 on [the later of November 15, 1990 or] the date the unit commences commercial operation as defined in subdivision 1 of this definition [~~and is not a unit under subdivision 3 of this definition~~], the unit's date for commencement of commercial operation shall be the date on which the unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040.

~~a. For a unit with a date for commencement of commercial operation as defined in subdivision 2 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the [unit's] date of commencement of commercial operation [of the unit, which shall continue to be treated as the same unit].~~

~~b. For a unit with a date for commencement of commercial operation as defined in subdivision 2 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), [such date shall remain the replaced unit's date of commencement of commercial operation and] the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in subdivision 1[, 2, or 3 2] of this definition as appropriate.~~

~~[3. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-140-3840 H, for a CAIR SO₂ opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, the unit's date for commencement of commercial operation shall be the date on which the owner or operator is required to start monitoring and reporting the SO₂ emissions rate and the heat input of the unit under 9 VAC 5-140-3840 B 1 a.~~

~~a. For a unit with a date for commencement of commercial operation as defined in subdivision 3 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of commercial operation.~~

~~b. For a unit with a date for commencement of commercial operation as defined in subdivision 3 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in subdivision 1, 2, or 3 of this definition as appropriate.~~

~~4. Notwithstanding subdivisions 1 through 3 of this definition, for a unit not serving a generator producing electricity for sale, the unit's date of commencement of operation shall also be the unit's date of commencement of commercial operation.]~~

"Commence operation" means:

1. To have begun any mechanical, chemical, or electronic process, including, with regard to a unit, start-up of a unit's combustion chamber, except as provided in 9 VAC 5-140-[3050 3840 H].

[a 2]. For a unit that [is a CAIR SO₂ unit under 9 VAC 5-140-3040 on the date the unit commences operation as defined in subdivision 1 of this definition and that subsequently] undergoes a physical change (other than replacement of the unit by a unit at the same source) [after the date the unit commences operation as defined in subdivision 1 of this definition], such date shall remain the [unit's] date of commencement of operation [of the unit, which shall continue to be treated as the same unit].

[b 3]. For a unit that is [a CAIR SO₂ unit under 9 VAC 5-140-3040 on the date the unit commences operation as defined in subdivision 1 of this definition and that is subsequently] replaced by a unit at the same source (e.g., repowered)[, after the date the unit commences operation as defined in subdivision 1 of this definition, such date shall remain the replaced unit's date of commencement of operation, and] the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in subdivision 1, 2, or 3 of this definition as appropriate[, except as provided in 9 VAC 5-140-3840 H].

[2. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-140-3050, for a unit that is not a CAIR SO₂ unit under 9 VAC 5-140-3040 on the date the unit commences operation as defined in subdivision 1 of this definition and is not a unit under subdivision 3) of this definition,

the unit's date for commencement of operation shall be the date on which the unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040.

a. For a unit with a date for commencement of operation as defined in subdivision 2 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of operation.

b. For a unit with a date for commencement of operation as defined in subdivision 2 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in subdivision 1, 2, or 3 of this definition as appropriate.

3. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-130-3840 H, for a CAIR SO₂ opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, the unit's date for commencement of operation shall be the date on which the owner or operator is required to start monitoring and reporting the SO₂ emissions rate and the heat input of the unit under 9 VAC 5-140-3840-B 1 a.

a. For a unit with a date for commencement of operation as defined in subdivision 3 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of operation.

b. For a unit with a date for commencement of operation as defined in subdivision 3 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in subdivisions 1, 2, or 3 of this definition as appropriate.]

"Common stack" means a single flue through which emissions from two or more units are exhausted.

"Compliance account" means a CAIR SO₂ Allowance Tracking System account, established by the administrator for a CAIR SO₂ source subject to an Acid Rain emissions limitations under 40 CFR 73.31(a) or (b) or for any other CAIR SO₂ source under Article 36 (9 VAC 5-140-3500 et seq.) or Article 39 (9 VAC 5-140-3800 et seq.) of this part, in which any CAIR SO₂ allowance allocations for the CAIR SO₂ units at the source are initially recorded and in which are held any CAIR SO₂ allowances available for use for a control period in order to meet the source's CAIR SO₂ emissions limitation in accordance with 9 VAC 5-140-3540.

"Continuous emission monitoring system" or "CEMS" means the equipment required under Article 38 (9 VAC 5-140-3700 et seq.) of this part to sample, analyze, measure, and provide, by means of readings recorded at least once every 15 minutes (using an automated data acquisition and handling system (DAHS)), a permanent record of sulfur dioxide emissions, stack gas volumetric flow rate, stack gas moisture content, and oxygen or carbon dioxide concentration (as applicable), in a manner consistent with 40 CFR Part 75. The following systems are the principal types of continuous emission monitoring systems required under Article 38 (9 VAC 5-140-3700 et seq.) of this part:

1. A flow monitoring system, consisting of a stack flow rate monitor and an automated data acquisition and handling system and providing a permanent, continuous record of stack gas volumetric flow rate, in standard cubic feet per hour (scfh);

2. A sulfur dioxide monitoring system, consisting of a SO₂ pollutant concentration monitor and an automated data acquisition [and] handling system and providing a permanent, continuous record of SO₂ emissions, in parts per million (ppm);

3. A moisture monitoring system, as defined in 40 CFR 75.11(b)(2) and providing a permanent, continuous record of the stack gas moisture content, in percent H₂O;

4. A carbon dioxide monitoring system, consisting of a CO₂ pollutant concentration monitor (or an oxygen monitor plus suitable mathematical equations from which the CO₂ concentration is derived) and an automated data acquisition and handling system and providing a permanent, continuous record of CO₂ emissions, in percent CO₂; and

5. An oxygen monitoring system, consisting of an O₂ concentration monitor and an automated data acquisition and handling system and providing a permanent, continuous record of O₂ in percent O₂.

"Control period" means the period beginning January 1 of a calendar year, except as provided in 9 VAC 5-140-3060 C 2, and ending on December 31 of the same year, inclusive.

"Emissions" means air pollutants exhausted from a unit or source into the atmosphere, as measured, recorded, and reported to the administrator by the CAIR designated representative and as determined by the administrator in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part.

"Excess emissions" means any ton, or portion of a ton, of sulfur dioxide emitted by the CAIR SO₂ units at a CAIR SO₂ source during a control period that exceeds the CAIR SO₂ emissions limitation for the source, provided that any portion of a ton of excess emissions shall be treated as one ton of excess emissions.

"Fossil fuel" means natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such material.

"Fossil-fuel-fired" means, with regard to a unit, combusting any amount of fossil fuel in any calendar year.

"General account" means a CAIR SO₂ Allowance Tracking System account, established under Article 36 (9 VAC 5-140-3500 et seq.) of this part, that is not a compliance account.

"Generator" means a device that produces electricity.

"Heat input" means, with regard to a specified period of time, the product (in mmBtu/time) of the gross calorific value of the fuel (in Btu/lb) divided by 1,000,000 Btu/mmBtu and multiplied by the fuel feed rate into a combustion device (in lb of fuel/time), as measured, recorded, and reported to the administrator by the CAIR designated representative and determined by the administrator in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part and excluding the heat derived from preheated combustion air, recirculated flue gases, or exhaust from other sources.

"Heat input rate" means the amount of heat input (in mmBtu) divided by unit operating time (in hr) or, with regard to a specific fuel, the amount of heat input attributed to the fuel (in mmBtu) divided by the unit operating time (in hr) during which the unit combusts the fuel.

["Hg Budget Trading Program" means a multi-state Hg air pollution control and emission reduction program approved and administered by the administrator in accordance with Part VI (9 VAC 5-140-5010 et seq.) of this chapter and 40 CFR 60.24(h)(6), or established by the administrator under § 111 of the Clean Air Act, as a means of reducing national Hg emissions.]

"Implementation plan" means the portion or portions of the state implementation plan, or the most recent revision thereof, which has been approved in subpart VV of 40 CFR Part 52 by the administrator under § 110 of the CAA, or promulgated under § 110(c) of the CAA, or promulgated or approved pursuant to regulations promulgated under § 301(d) of the CAA and which implements the relevant requirements of the CAA.

"Life-of-the-unit, firm power contractual arrangement" means a unit participation power sales agreement under which a utility or industrial customer reserves, or is entitled to receive, a specified amount or percentage of nameplate capacity and associated energy generated by any specified unit and pays its proportional amount of such unit's total costs, pursuant to a contract:

1. For the life of the unit;
2. For a cumulative term of no less than 30 years, including contracts that permit an election for early termination; or
3. For a period no less than 25 years or 70.0% of the economic useful life of the unit determined as of the time the unit is built, with option rights to purchase or release some portion of the nameplate capacity and associated energy generated by the unit at the end of the period.

"Maximum design heat input" means~~[, starting from the initial installation of a unit], the maximum amount of fuel per hour (in Btu/hr) that a unit is capable of combusting on a steady state basis as [of the initial installation of the unit as] specified by the manufacturer of the unit[, or, starting from the completion of any subsequent physical change in the unit resulting in a decrease in the maximum amount of fuel per hour (in Btu/hr) that a unit is capable of combusting on a steady state basis, such decreased maximum amount as specified by the person conducting the physical change].~~

"Monitoring system" means any monitoring system that meets the requirements of Article ~~[37 38] (9 VAC 5-140-[3600 3700] et seq.)~~ of this part, including a continuous emissions monitoring system, an alternative monitoring system, or an excepted monitoring system under 40 CFR Part 75.

"Most stringent state or federal SO₂ emissions limitation" means, with regard to a unit, the lowest SO₂ emissions limitation (in terms of lb/mmBtu) that is applicable to the unit under the Virginia Air Pollution Control Law or federal law, regardless of the averaging period to which the emissions limitation applies.

"Nameplate capacity" means, starting from the initial installation of a generator, the maximum electrical generating output (in MWe) that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings) as [of such installation as] specified by the manufacturer of the generator or, starting from the completion of any subsequent physical change in the generator resulting in an increase in the maximum electrical generating output (in MWe) that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings), such increased maximum amount as [of such completion as] specified by the person conducting the physical change.

["Nonattainment condition" means a condition where any area is shown by air quality monitoring data or which is shown by an air quality impact analysis (using modeling or other methods determined by the board to be reliable) to exceed the levels allowed by the ambient air quality standard for a given pollutant, regardless of whether such demonstration is based on current or projected emissions data.]

"Operator" means any person who operates, controls, or supervises a CAIR SO₂ unit or a CAIR SO₂ source and shall include, but not be limited to, any holding company, utility system, or plant manager of such a unit or source.

"Owner" means any of the following persons:

1. With regard to a CAIR SO₂ source or a CAIR SO₂ unit at a source, respectively:
 - a. Any holder of any portion of the legal or equitable title in a CAIR SO₂ unit at the source or the CAIR SO₂ unit;
 - b. Any holder of a leasehold interest in a CAIR SO₂ unit at the source or the CAIR SO₂ unit; or

c. Any purchaser of power from a CAIR SO₂ unit at the source or the CAIR SO₂ unit under a life-of-the-unit, firm power contractual arrangement; provided that, unless expressly provided for in a leasehold agreement, owner shall not include a passive lessor, or a person who has an equitable interest through such lessor, whose rental payments are not based (either directly or indirectly) on the revenues or income from such CAIR SO₂ unit; or

2. With regard to any general account, any person who has an ownership interest with respect to the CAIR SO₂ allowances held in the general account and who is subject to the binding agreement for the CAIR authorized account representative to represent the person's ownership interest with respect to CAIR SO₂ allowances.

"Permitting authority" means [the state air pollution control agency, local agency, other state agency, or other agency authorized by the administrator to issue or revise permits to meet the requirements of the CAIR SO₂ Trading Program in accordance with Article 33 (9 VAC 5-140-3200 et seq.) of this part or, if no such agency has been so authorized, the administrator. For the Commonwealth of Virginia, the permitting authority shall be] the State Air Pollution Control Board.

"Potential electrical output capacity" means 33.0% of a unit's maximum design heat input, divided by 3,413 Btu/kWh, divided by 1,000 kWh/MWh, and multiplied by 8,760 hr/yr.

"Receive or receipt of" means, when referring to the permitting authority or the administrator, to come into possession of a document, information, or correspondence (whether sent in hard copy or by authorized electronic transmission), as indicated in an official [correspondence] log, or by a notation made on the document, information, or correspondence, by the permitting authority or the administrator in the regular course of business.

"Recordation," "record," or "recorded" means, with regard to CAIR SO₂ allowances, the movement of CAIR SO₂ allowances by the administrator into or between CAIR SO₂ Allowance Tracking System accounts, for purposes of allocation, transfer, or deduction.

"Reference method" means any direct test method of sampling and analyzing for an air pollutant as specified in 40 CFR 75.22.

["Replacement," "replace," or "replaced" means, with regard to a unit, the demolishing of a unit, or the permanent shutdown and permanent disabling of a unit, and the construction of another unit (the replacement unit) to be used instead of the demolished or shutdown unit (the replaced unit).]

"Repowered" means, with regard to a unit, replacement of a coal-fired boiler with one of the following coal-fired technologies at the same source as the coal-fired boiler:

1. Atmospheric or pressurized fluidized bed combustion;

2. Integrated gasification combined cycle;

3. Magnetohydrodynamics;

4. Direct and indirect coal-fired turbines;

5. Integrated gasification fuel cells; or

6. As determined by the administrator in consultation with the Secretary of Energy, a derivative of one or more of the technologies under subdivisions 1 through 5 of this definition and any other coal-fired technology capable of controlling multiple combustion emissions simultaneously with improved boiler or generation efficiency and with significantly greater waste reduction relative to the performance of technology in widespread commercial use as of January 1, 2005.

["Serial number" means, for a CAIR SO₂ allowance, the unique identification number assigned to each CAIR SO₂ allowance by the administrator.]

"Sequential use of energy" means:

1. For a topping-cycle cogeneration unit, the use of reject heat from electricity production in a useful thermal energy application or process; or

2. For a bottoming-cycle cogeneration unit, the use of reject heat from useful thermal energy application or process in electricity production.

["Serial number" means, for a CAIR SO₂ allowance, the unique identification number assigned to each CAIR SO₂ allowance by the administrator.]

["Solid waste incineration unit" means a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine that is a "solid waste incineration unit" as defined in section 129(g)(1) of the Clean Air Act.]

"Source" means all buildings, structures, or installations located in one or more contiguous or adjacent properties under common control of the same person or persons. For purposes of § 502(c) of the Clean Air Act, a "source," including a "source" with multiple units, shall be considered a single "facility."

"State" means the Commonwealth of Virginia. The term "state" shall have its conventional meaning where such meaning is clear from the context.

"State operating permit" means a permit issued under Article 5 (9 VAC 5-80-800 et seq.) of Part II of 9 VAC 5 Chapter 80.

"State operating permit regulations" means the regulations codified in Article 5 (9 VAC 5-80-800 et seq.) of Part II of 9 VAC 5 Chapter 80.

"Submit or serve" means to send or transmit a document, information, or correspondence to the person specified in accordance with the applicable regulation:

1. In person;

2. By United States Postal Service; or

3. By other means of dispatch or transmission and delivery. Compliance with any "submission" or "service" deadline shall be determined by the date of dispatch, transmission, or mailing and not the date of receipt.

"Title V operating permit" means a permit issued under Article 1 (9 VAC 5-80-50 et seq.) or Article 3 (9 VAC 5-80-360 et seq.) of Part II of 9 VAC 5 Chapter 80.

"Title V operating permit regulations" means the regulations codified in Article 1 (9 VAC 5-80-50 et seq.), Article 2 (9 VAC 5-80-310 et seq.), Article 3 (9 VAC 5-80-360 et seq.), and Article 4 (9 VAC 5-80-710 et seq.) of Part II of 9 VAC 5 Chapter 80.

"Ton" means 2,000 pounds. For the purpose of determining compliance with the CAIR SO₂ emissions limitation, total tons of sulfur dioxide emissions for a control period shall be calculated as the sum of all recorded hourly emissions (or the mass equivalent of the recorded hourly emission rates) in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part, but with any remaining fraction of a ton equal to or greater than 0.50 tons deemed to equal one ton and any remaining fraction of a ton less than 0.50 tons deemed to equal zero tons.

"Topping-cycle cogeneration unit" means a cogeneration unit in which the energy input to

the unit is first used to produce useful power, including electricity, and at least some of the reject heat from the electricity production is then used to provide useful thermal energy.

"Total energy input" means, with regard to a cogeneration unit, total energy of all forms supplied to the cogeneration unit, excluding energy produced by the cogeneration unit itself.

"Total energy output" means, with regard to a cogeneration unit, the sum of useful power and useful thermal energy produced by the cogeneration unit.

"Unit" means a stationary, fossil-fuel-fired boiler or combustion turbine or other stationary, fossil-fuel-fired combustion device.

"Unit operating day" means a calendar day in which a unit combusts any fuel.

"Unit operating hour" or "hour of unit operation" means an hour in which a unit combusts any fuel.

"Useful power" means, with regard to a cogeneration unit, electricity or mechanical energy made available for use, excluding any such energy used in the power production process (which process includes, but is not limited to, any on-site processing or treatment of fuel combusted at the unit and any on-site emission controls).

"Useful thermal energy" means, with regard to a cogeneration unit, thermal energy that is:

1. Made available to an industrial or commercial process (not a power production process), excluding any heat contained in condensate return or makeup water;

2. Used in a heating application (e.g., space heating or domestic hot water heating); or

3. Used in a space cooling application (i.e., thermal energy used by an absorption chiller).

"Utility power distribution system" means the portion of an electricity grid owned or operated by a utility and dedicated to delivering electricity to customers.

9 VAC 5-140-3030. Measurements, abbreviations, and acronyms.

Measurements, abbreviations, and acronyms used in this part are defined as follows:

Btu-British thermal unit.

CO₂-carbon dioxide.

[NO_x-nitrogen oxides.]

[H₂O-water.]

[Hg-mercury]

hr-hour.

kW-kilowatt electrical.

kWh-kilowatt hour.

[lb-pound]

mmBtu-million Btu.

MWe-megawatt electrical.

MWh-megawatt hour.

[NO_x-nitrogen oxides.]

O₂-oxygen.

ppm-parts per million.

[lb-pound.]

scfh-standard cubic feet per hour.

SO₂-sulfur dioxide.
[H₂O-water.]
yr-year.

9 VAC 5-140-3040. Applicability.

_____ [A. Except as provided in subsection B of this section:

1.] The following units shall be CAIR SO₂ units, and any source that includes one or more such units shall be a CAIR SO₂ source, subject to the requirements of this article and Articles 32 (9 VAC 5-140-3100 et seq.) through 38 (9 VAC 5-140-3700 et seq.) of this part:

~~[A. Except as provided in subsection B of this section, a any] stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine serving at any time, since [the later of November 15, 1990 or] the start-up of the unit's combustion chamber, a generator with nameplate capacity of more than 25 MWe producing electricity for sale.~~

[2. If a stationary boiler or stationary combustion turbine that, under subdivision 1 of this subsection, is not a CAIR SO₂ unit begins to combust fossil fuel or to serve a generator with nameplate capacity of more than 25 MWe producing electricity for sale, the unit shall become a CAIR SO₂ unit as provided in subdivision 1 of this subsection on the first date on which it both combusts fossil fuel and serves such generator.

~~B. For a unit that qualifies as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity and continues to qualify as a cogeneration unit, a cogeneration unit serving at any time a generator with nameplate capacity of more than 25 MWe and supplying in any calendar year more than one-third of the unit's potential electric output capacity or 219,000 MWh, whichever is greater, to any utility power distribution system for sale. If a unit qualifies as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity but subsequently no longer qualifies as a cogeneration unit, the unit shall be subject to subsection A of this section starting on the day on which the unit first no longer qualifies as a cogeneration unit. The units that meet the requirements set forth in subdivisions 1 a, 2 a, or 2 b of this subsection shall not be CAIR SO₂ units:~~

1.a. Any unit that is a CAIR SO₂ unit under subdivisions A 1 or 2 of this section:

(1) Qualifying as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity and continuing to qualify as a cogeneration unit; and

(2) Not serving at any time, since the later of November 15, 1990 or the start-up of the unit's combustion chamber, a generator with nameplate capacity of more than 25 MWe supplying in any calendar year more than one-third of the unit's potential electric output capacity or 219,000 MWh, whichever is greater, to any utility power distribution system for sale.]

b. If a unit qualifies as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity and meets the requirements of subdivision 1 a of this subsection for at least one calendar year, but subsequently no longer meets all such requirements, the unit shall become a CAIR SO₂ unit starting on the earlier of January 1 after the first calendar year during which the unit first no longer qualifies as a cogeneration unit or January 1 after the first calendar year during which the unit no longer meets the requirements of subdivision 1 a (2) of this subsection.

2.a. Any unit that is a CAIR SO₂ unit under subdivision A 1 or 2 of this section commencing operation before January 1, 1985:

(1) Qualifying as a solid waste incineration unit; and

(2) With an average annual fuel consumption of non-fossil fuel for 1985-1987 exceeding 80% (on a Btu basis) and an average annual fuel consumption of non-fossil fuel for any 3

consecutive calendar years after 1990 exceeding 80% (on a Btu basis).

b. Any unit that is a CAIR SO₂ unit under subdivision A 1 or 2 of this section commencing operation on or after January 1, 1985:

(1) Qualifying as a solid waste incineration unit; and

(2) With an average annual fuel consumption of non-fossil fuel for the first 3 calendar years of operation exceeding 80% (on a Btu basis) and an average annual fuel consumption of non-fossil fuel for any 3 consecutive calendar years after 1990 exceeding 80% (on a Btu basis).

c. If a unit qualifies as a solid waste incineration unit and meets the requirements of subdivision 2 a or b of this subsection for at least 3 consecutive calendar years, but subsequently no longer meets all such requirements, the unit shall become a CAIR SO₂ unit starting on the earlier of January 1 after the first calendar year during which the unit first no longer qualifies as a solid waste incineration unit or January 1 after the first 3 consecutive calendar years after 1990 for which the unit has an average annual fuel consumption of fossil fuel of 20% or more.]

9 VAC 5-140-3050. Retired unit exemption.

A.1. Any CAIR SO₂ unit that is permanently retired and is not a CAIR SO₂ opt-in unit under Article 39 (9 VAC 5-140-3800 et seq.) of this part shall be exempt from the CAIR SO₂ Trading Program, except for the provisions of this section, 9 VAC 5-140-3020, 9 VAC 5-140-3030, 9 VAC 5-140-3040, 9 VAC 5-140-3060 C 4 through 7, 9 VAC 5-140-3070, [9 VAC 5-140-3080,] and Articles 32 (9 VAC 5-140-3100 et seq.), 36 (9 VAC 5-140-3500 et seq.), and 37 (9 VAC 5-140-3600 et seq.) of this part.

2. The exemption under subdivision A 1 of this section shall become effective the day on which the CAIR SO₂ unit is permanently retired. Within 30 days of the unit's permanent retirement, the CAIR designated representative shall submit a statement to the permitting authority otherwise responsible for administering any CAIR permit for the unit and shall submit a copy of the statement to the administrator. The statement shall state, in a format acceptable to the permitting authority, that the unit was permanently retired on a specific date and will comply with the requirements of subsection B of this section.

3. After receipt of the statement under subdivision A 2 of this section, the permitting authority will amend any permit under Article 33 (9 VAC 5-140-3200 et seq.) of this part covering the source at which the unit is located to add the provisions and requirements of the exemption under subdivision A 1 and subsection B of this section.

B. Special provisions for exempt units shall be as follows:

1. A unit exempt under subsection A of this section shall not emit any sulfur dioxide, starting on the date that the exemption takes effect.

2. For a period of five years from the date the records are created, the owners and operators of a unit exempt under subsection A of this section shall retain, at the source that includes the unit, records demonstrating that the unit is permanently retired. The five-year period for keeping records may be extended for cause, at any time before the end of the period, in writing by the permitting authority or the administrator. The owners and operators bear the burden of proof that the unit is permanently retired.

3. The owners and operators and, to the extent applicable, the CAIR designated representative of a unit exempt under subsection A of this section shall comply with the requirements of the CAIR SO₂ Trading Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or shall be complied with, after the exemption takes effect.

4. A unit exempt under subsection A of this section and located at a source that is required, or but for this exemption would be required, to have a title V operating permit shall not resume operation unless the CAIR designated representative of the source submits a complete CAIR permit

application under 9 VAC 5-140-3220 for the unit not less than 18 months (or such lesser time provided by the permitting authority) before the later of January 1, 2010 or the date on which the unit resumes operation.

5. On the earlier of the following dates, a unit exempt under subsection A of this section shall lose its exemption:

a. The date on which the CAIR designated representative submits a CAIR permit application for the unit under subdivision B 4 of this section;

b. The date on which the CAIR designated representative is required under subdivision B 4 of this section to submit a CAIR permit application for the unit; or

c. The date on which the unit resumes operation, if the CAIR designated representative is not required to submit a CAIR permit application for the unit.

6. For the purpose of applying monitoring, reporting, and recordkeeping requirements under Article 38 (9 VAC 5-140-3700 et seq.) of this part, a unit that loses its exemption under subsection A of this section shall be treated as a unit that commences ~~operation and~~ commercial operation on the first date on which the unit resumes operation.

9 VAC 5-140-3060. Standard requirements.

A. Permit requirements shall be as follows:

1. The CAIR designated representative of each CAIR SO₂ source required to have a title V operating permit and each CAIR SO₂ unit required to have a title V operating permit at the source shall:

a. Submit to the permitting authority a complete CAIR permit application under 9 VAC 5-140-3220 in accordance with the deadlines specified in 9 VAC 5-140-3210; and

b. Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review a CAIR permit application and issue or deny a CAIR permit.

2. The owners and operators of each CAIR SO₂ source required to have a title V operating permit and each CAIR SO₂ unit required to have a title V operating permit at the source shall have a CAIR permit issued by the permitting authority under Article 33 (9 VAC 5-140-3200 et seq.) of this part for the source and operate the source and the unit in compliance with such CAIR permit.

3. Except as provided in Article 39 (9 VAC 5-140-3800 et seq.) of this part, the owners and operators of a CAIR SO₂ source that is not otherwise required to have a title V operating permit and each CAIR SO₂ unit that is not otherwise required to have a title V operating permit are not required to submit a CAIR permit application, and to have a CAIR permit, under Article 33 (9 VAC 5-140-3200 et seq.) of this part for such CAIR SO₂ source and such CAIR SO₂ unit.

B. Monitoring, reporting, and recordkeeping shall be performed as follows:

1. The owners and operators, and the CAIR designated representative, of each CAIR SO₂ source and each CAIR SO₂ unit at the source shall comply with the monitoring, reporting, and recordkeeping requirements of Article 38 (9 VAC 5-140-3700 et seq.) of this part.

2. The emissions measurements recorded and reported in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part shall be used to determine compliance by each CAIR SO₂ source with the CAIR SO₂ emissions limitation under subsection C of this section.

C. Sulfur dioxide emission requirements shall be as follows:

1. As of the allowance transfer deadline for a control period, the owners and operators of each CAIR SO₂ source and each CAIR SO₂ unit at the source shall hold, in the source's compliance account, a tonnage equivalent in CAIR SO₂ allowances available for compliance deductions for the control period, as determined in accordance with 9 VAC 5-140-3540 A and B, not less than the tons of total sulfur dioxide emissions for the control period from all CAIR SO₂ units at the source, as determined in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part.

2. A CAIR SO₂ unit shall be subject to the requirements under subdivision C 1 of this section for the control period starting on the later of January 1, 2010 or the deadline for meeting the unit's monitor certification requirements under 9 VAC 5-140-3700 B 1, 2, or 5 and for each control period thereafter.

3. A CAIR SO₂ allowance shall not be deducted, for compliance with the requirements under subdivision C 1 of this section, for a control period in a calendar year before the year for which the CAIR SO₂ allowance was allocated.

4. CAIR SO₂ allowances shall be held in, deducted from, or transferred into or among CAIR SO₂ Allowance Tracking System accounts in accordance with Articles 36 (9 VAC 5-140-3500 et seq.), and 37 (9 VAC 5-140-3600 et seq.) [and 39 (9 VAC 5-140-3800 et seq.)] of this part.

5. A CAIR SO₂ allowance is a limited authorization to emit sulfur dioxide in accordance with the CAIR SO₂ Trading Program. No provision of the CAIR SO₂ Trading Program, the CAIR permit application, the CAIR permit, or an exemption under 9 VAC 5-140-3050 and no provision of law shall be construed to limit the authority of the state or the United States to terminate or limit such authorization.

6. A CAIR SO₂ allowance does not constitute a property right.

7. Upon recordation by the administrator under Article 36 (9 VAC 5-140-3500 et seq.), 37 (9 VAC 5-140-3600 et seq.), or 39 (9 VAC 5-140-3800 et seq.) of this part, every allocation, transfer, or deduction of a CAIR SO₂ allowance to or from a CAIR SO₂ [unit's source's] compliance account is incorporated automatically in any CAIR permit of the source [that includes the CAIR SO₂ unit].

D. If a CAIR SO₂ source emits sulfur dioxide during any control period in excess of the CAIR SO₂ emissions limitation, then:

1. The owners and operators of the source and each CAIR SO₂ unit at the source shall surrender the CAIR SO₂ allowances required for deduction under 9 VAC 5-140-3540 D 1 and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or the Virginia Air Pollution Control Law; and

2. Each ton of such excess emissions and each day of such control period shall constitute a separate violation of this article, the Clean Air Act, and the Virginia Air Pollution Control Law.

E. Recordkeeping and reporting shall be performed as follows:

1. Unless otherwise provided, the owners and operators of the CAIR SO₂ source and each CAIR SO₂ unit at the source shall keep on site at the source each of the following documents for a period of five years from the date the document is created. This period may be extended for cause, at any time before the end of five years, in writing by the permitting authority or the administrator.

a. The certificate of representation under 9 VAC 5-140-3130 for the CAIR designated representative for the source and each CAIR SO₂ unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation; provided that the certificate and documents shall be retained on site at the source beyond such five-year period until such documents are superseded because of the submission of a new certificate of representation under 9 VAC 5-140-3130 changing the CAIR designated representative.

b. All emissions monitoring information, in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part, provided that to the extent that Article 38 (9 VAC 5-140-3700 et seq.) of this part provides for a three-year period for recordkeeping, the three-year period shall apply.

c. Copies of all reports, compliance certifications, and other submissions and all records made or required under the CAIR SO₂ Trading Program.

d. Copies of all documents used to complete a CAIR permit application and any other submission under the CAIR SO₂ Trading Program or to demonstrate compliance with the requirements of the CAIR SO₂ Trading Program.

2. The CAIR designated representative of a CAIR SO₂ source and each CAIR SO₂ unit at the source shall submit the reports required under the CAIR SO₂ Trading Program, including those under Article 38 (9 VAC 5-140-3700 et seq.) of this part.

F. Liability shall be assigned as follows:

1. Each CAIR SO₂ source and each CAIR SO₂ unit shall meet the requirements of the CAIR SO₂ Trading Program.

2. Any provision of the CAIR SO₂ Trading Program that applies to a CAIR SO₂ source or the CAIR designated representative of a CAIR SO₂ source shall also apply to the owners and operators of such source and of the CAIR SO₂ units at the source.

3. Any provision of the CAIR SO₂ Trading Program that applies to a CAIR SO₂ unit or the CAIR designated representative of a CAIR SO₂ unit shall also apply to the owners and operators of such unit.

G. No provision of the CAIR SO₂ Trading Program, a CAIR permit application, a CAIR permit, or an exemption under 9 VAC 5-140-3050 shall be construed as exempting or excluding the owners and operators, and the CAIR designated representative, of a CAIR SO₂ source or CAIR SO₂ unit from compliance with any other provision of the applicable state implementation plan, a state operating permit, the Virginia Air Pollution Control Law, or the Clean Air Act.

[9 VAC 5-140-3061. Nonattainment area requirements.

A. The following requirements apply to any CAIR SO₂ unit located in a nonattainment area designated in 9 VAC 5-20-204:

1. No owner, operator or other person shall cause or permit to be discharged into the atmosphere from any CAIR SO₂ unit any SO₂ emissions in excess of the SO₂ annual emissions cap. For each control period, the SO₂ annual emissions cap shall be equal to the number of SO₂ allowances (expressed in tons) allocated for the CAIR SO₂ unit for the control period in accordance with 9 VAC 5-140-3420.

2. A CAIR SO₂ unit shall be subject to the requirements under subdivision 1 of this subsection for the control period starting on the later of January 1, 2009 or the deadline for meeting the unit's monitor certification requirements under 9 VAC 5-140-3700 B 1, 2, or 5 and for each control period thereafter.

3. Compliance with the SO₂ annual emissions cap in subdivision 1 of this subsection shall be based on a comparison of (i) the total SO₂ emissions (expressed in tons) from each CAIR SO₂ unit during the control period, as determined in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part, and (ii) the SO₂ annual emissions cap.

4. The owner or operator of an CAIR SO₂ unit subject to this section shall be in violation of this subsection if the owner or operator fails to submit by April 1 of each year for the preceding control

period (i) documentation to verify compliance with the SO₂ annual emissions cap set forth in subdivision 1 of this subsection or (ii) an SO₂ emissions compliance demonstration in accordance with 9 VAC 5-140-3062.

B. Nothing in this part shall prevent the permitting authority from issuing a nonattainment area permit under the authority and procedures of the state operating permit program in order to:

1. Cap the emissions of a CAIR SO₂ unit or CAIR SO₂ source contributing to a violation of any air quality standard or a nonattainment condition;

2. Remedy a situation that may cause or contribute to nonattainment condition or the endangerment of human health or welfare; or

3. Establish a source-specific emission standard or other requirements necessary to implement the federal Clean Air Act or the Virginia Air Pollution Control Law.

C. Nothing in this part shall prevent the permitting authority from including in any nonattainment area permit issued to implement subsection B 1 of this section any terms and conditions that would prohibit any CAIR SO₂ unit or CAIR SO₂ source subject to this part from engaging in any emissions trading activities or using any emissions credits obtained from emissions reductions external to the CAIR SO₂ unit or CAIR SO₂ source to comply with the requirements of subsection A of this section or any nonattainment area permit issued pursuant to subsection B 1 of this section except that such terms and conditions may not prohibit any CAIR SO₂ unit or CAIR SO₂ source subject to this part from engaging in any emissions trading activities unrelated to compliance with the requirements of subsection A of this section or any nonattainment area permit issued pursuant to subsection B 1 of this section.

D. Nothing in this section shall be construed to prohibit any CAIR SO₂ unit or CAIR SO₂ source from participating in the CAIR SO₂ Annual Trading Program. Notwithstanding any other provision of this section or any regulation of the board, the permitting authority may not include in any permit any terms and conditions that restrict any emissions trading activities under the CAIR SO₂ Annual Trading Program. Compliance with the CAIR SO₂ Annual Trading Program and this section (including any nonattainment area permits issued pursuant to this section) shall be determined separately and in accordance with the terms of the provisions of each.

E. The provisions of subsection A of this section shall not apply once an area is no longer listed in 9 VAC 5-20-204 as nonattainment for any pollutant; however, regardless of the attainment status of the area, any nonattainment area permits issued to implement this section shall remain in effect until revoked by the permitting authority.

9 VAC 5-140-3062. SO₂ emissions compliance demonstration.

A. Compliance with the SO₂ annual emissions cap set forth in 9 VAC 5-140-3061 A 1 may also be achieved through an SO₂ emissions compliance demonstration meeting the requirements of this section.

B. The SO₂ emissions compliance demonstration submitted pursuant to this section may include one or more CAIR SO₂ units in a CAIR SO₂ source under common control and located in the nonattainment area.

C. SO₂ emissions compliance demonstrations shall be submitted to the permitting authority by April 1 of each year for the preceding control period.

D. A complete SO₂ emissions compliance demonstration shall include the following elements in a format acceptable to the permitting authority:

1. Identification of each CAIR SO₂ unit in the SO₂ emissions compliance demonstration.

2. The number of SO₂ allowances (expressed in tons) allocated for each CAIR SO₂ unit for the preceding control period.

3. The total SO₂ emissions (expressed in tons) from each CAIR SO₂ unit during the preceding control period.

4. The calculation for the equation in subsection E of this section.

E. Compliance with this section shall be demonstrated with the following equation:

$$\frac{\sum_{i=1}^n (ASDE_i)}{\sum_{i=1}^n S_i} \leq \sum_{i=1}^n X_i$$

where:

n is the number of CAIR SO₂ units in the SO₂ emissions compliance demonstration (n may equal 1).

S is the sum of all i CAIR SO₂ units.

i is an CAIR SO₂ unit identified in subsection B of this section.

ASDE (Actual Sulfur Dioxide Emissions) are the total SO₂ emissions (expressed in tons) from each CAIR SO₂ unit during the preceding control period, as determined in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part.

X is the number of SO₂ allowances (expressed in tons) allocated for the CAIR SO₂ unit for the preceding control period in accordance with 9 VAC 5-140-3420.

F. The emissions measurements recorded and reported in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part shall be used to determine compliance by each CAIR SO₂ source with the SO₂ annual emissions cap set forth in 9 VAC 5-140-3061 A.]

9 VAC 5-140-3070. Computation of time.

A. Unless otherwise stated, any time period scheduled, under the CAIR SO₂ Trading Program, to begin on the occurrence of an act or event shall begin on the day the act or event occurs.

B. Unless otherwise stated, any time period scheduled, under the CAIR SO₂ Trading Program, to begin before the occurrence of an act or event shall be computed so that the period ends the day before the act or event occurs.

C. Unless otherwise stated, if the final day of any time period, under the CAIR SO₂ Trading Program, falls on a weekend or a state or federal holiday, the time period shall be extended to the next business day.

9 VAC 5-140-3080. Appeal [~~Procedures~~ procedures].

The appeal procedures for decisions of the administrator under the CAIR SO₂ Trading Program are set forth in 40 CFR Part 78.

Article 32.

CAIR Designated Representative for CAIR SO₂ Sources.

9 VAC 5-140-3100. Authorization and responsibilities of CAIR designated representative.

A. Except as provided under 9 VAC 5-140-3110, each CAIR SO₂ source, including all CAIR SO₂ units at the source, shall have one and only one CAIR designated representative, with regard to all matters

under the CAIR SO₂ Trading Program concerning the source or any CAIR SO₂ unit at the source.

B. The CAIR designated representative of the CAIR SO₂ source shall be selected by an agreement binding on the owners and operators of the source and all CAIR SO₂ units at the source and shall act in accordance with the certification statement in 9 VAC 5-140-3130 A 4 d.

C. Upon receipt by the administrator of a complete certificate of representation under 9 VAC 5-140-3130, the CAIR designated representative of the source shall represent and, by the CAIR designated representative's representations, actions, inactions, or submissions, legally bind each owner and operator of the CAIR SO₂ source represented and each CAIR SO₂ unit at the source in all matters pertaining to the CAIR SO₂ Trading Program, notwithstanding any agreement between the CAIR designated representative and such owners and operators. The owners and operators shall be bound by any decision or order issued to the CAIR designated representative by the permitting authority, the administrator, or a court regarding the source or unit.

D. No CAIR permit will be issued, no emissions data reports will be accepted, and no CAIR SO₂ Allowance Tracking System account will be established for a CAIR SO₂ unit at a source, until the administrator has received a complete certificate of representation under 9 VAC 5-140-3130 for a CAIR designated representative of the source and the CAIR SO₂ units at the source.

E.1. Each submission under the CAIR SO₂ Trading Program shall be submitted, signed, and certified by the CAIR designated representative for each CAIR SO₂ source on behalf of which the submission is made. Each such submission shall include the following certification statement by the CAIR designated representative: "I am authorized to make this submission on behalf of the owners and operators of the source or units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

2. The permitting authority and the administrator will accept or act on a submission made on behalf of owner or operators of a CAIR SO₂ source or a CAIR SO₂ unit only if the submission has been made, signed, and certified in accordance with subdivision E 1 of this section.

9 VAC 5-140-3110. Alternate CAIR designated representative.

A. A certificate of representation under 9 VAC 5-140-3130 may designate one and only one alternate CAIR designated representative, who may act on behalf of the CAIR designated representative. The agreement by which the alternate CAIR designated representative is selected shall include a procedure for authorizing the alternate CAIR designated representative to act in lieu of the CAIR designated representative.

B. Upon receipt by the administrator of a complete certificate of representation under 9 VAC 5-140-3130, any representation, action, inaction, or submission by the alternate CAIR designated representative shall be deemed to be a representation, action, inaction, or submission by the CAIR designated representative.

C. Except in this section and 9 VAC 5-140-3020, 9 VAC 5-140-3100 A and D, 9 VAC 5-140-3120, 9 VAC 5-140-3130, [9 VAC 5-140-3150,] 9 VAC 5-140-3510, and 9 VAC 5-140-3820, whenever the term "CAIR designated representative" is used in this part, the term shall be construed to include the CAIR designated representative or any alternate CAIR designated representative.

9 VAC 5-140-3120. Changing CAIR designated representative and alternate CAIR designated representative: changes in owners and operators.

A. The CAIR designated representative may be changed at any time upon receipt by the administrator of a superseding complete certificate of representation under 9 VAC 5-140-3130. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous CAIR designated representative before the time and date when the administrator receives the superseding certificate of representation shall be binding on the new CAIR designated representative and the owners and operators of the CAIR SO₂ source and the CAIR SO₂ units at the source.

B. The alternate CAIR designated representative may be changed at any time upon receipt by the administrator of a superseding complete certificate of representation under 9 VAC 5-140-3130. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR designated representative before the time and date when the administrator receives the superseding certificate of representation shall be binding on the new alternate CAIR designated representative and the owners and operators of the CAIR SO₂ source and the CAIR SO₂ units at the source.

C. Changes in owners and operators shall be established as follows:

1. In the event [a new an] owner or operator of a CAIR SO₂ source or a CAIR SO₂ unit is not included in the list of owners and operators in the certificate of representation under 9 VAC 5-140-3130, such [new] owner or operator shall be deemed to be subject to and bound by the certificate of representation, the representations, actions, inactions, and submissions of the CAIR designated representative and any alternate CAIR designated representative of the source or unit, and the decisions and orders of the permitting authority, the administrator, or a court, as if the [new] owner or operator were included in such list.

2. Within 30 days following any change in the owners and operators of a CAIR SO₂ source or a CAIR SO₂ unit, including the addition of a new owner or operator, the CAIR designated representative or any alternate CAIR designated representative shall submit a revision to the certificate of representation under 9 VAC 5-140-3130 amending the list of owners and operators to include the change.

9 VAC 5-140-3130. Certificate of representation.

A. A complete certificate of representation for a CAIR designated representative or an alternate CAIR designated representative shall include the following elements in a format prescribed by the administrator:

1. Identification of the CAIR SO₂ source, and each CAIR SO₂ unit at the source, for which the certificate of representation is submitted[, including identification and nameplate capacity of each generator served by each such unit].

2. The name, address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the CAIR designated representative and any alternate CAIR designated representative.

3. A list of the owners and operators of the CAIR SO₂ source and of each CAIR SO₂ unit at the source.

4. The following certification statements by the CAIR designated representative and any alternate CAIR designated representative:

a. "I certify that I was selected as the CAIR designated representative or alternate CAIR designated representative, as applicable, by an agreement binding on the owners and operators of the source and each CAIR SO₂ unit at the source."

b. "I certify that I have all the necessary authority to carry out my duties and responsibilities under the CAIR SO₂ Trading Program on behalf of the owners and operators of the source and of each CAIR SO₂ unit at the source and that each such owner and operator shall be fully bound by my representations, actions, inactions, or submissions."

c. "I certify that the owners and operators of the source and of each CAIR SO₂ unit at the source shall be bound by any order issued to me by the administrator, the permitting authority, or a court regarding the source or unit."

d. "Where there are multiple holders of a legal or equitable title to, or a leasehold interest in, a CAIR SO₂ unit, or where a [utility or industrial] customer purchases power from a CAIR SO₂ unit under a life-of-the-unit, firm power contractual arrangement, I certify that: I have given a written notice of my selection as the 'CAIR designated representative' or 'alternate CAIR designated representative,' as applicable, and of the agreement by which I was selected to each owner and operator of the source and of each CAIR SO₂ unit at the source; and CAIR SO₂ allowances and proceeds of transactions involving CAIR SO₂ allowances will be deemed to be held or distributed in proportion to each holder's legal, equitable, leasehold, or contractual reservation or entitlement, except that, if such multiple holders have expressly provided for a different distribution of CAIR SO₂ allowances by contract, CAIR SO₂ allowances and proceeds of transactions involving CAIR SO₂ allowances will be deemed to be held or distributed in accordance with the contract."

5. The signature of the CAIR designated representative and any alternate CAIR designated representative and the dates signed.

B. Unless otherwise required by the permitting authority or the administrator, documents of agreement referred to in the certificate of representation shall not be submitted to the permitting authority or the administrator. Neither the permitting authority nor the administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

9 VAC 5-140-3140. Objections concerning CAIR designated representative.

A. Once a complete certificate of representation under 9 VAC 5-140-3130 has been submitted and received, the permitting authority and the administrator will rely on the certificate of representation unless and until a superseding complete certificate of representation under 9 VAC 5-140-3130 is received by the administrator.

B. Except as provided in 9 VAC 5-140-3120 A or B, no objection or other communication submitted to the permitting authority or the administrator concerning the authorization, or any representation, action, inaction, or submission, of the CAIR designated representative shall affect any representation, action, inaction, or submission of the CAIR designated representative or the finality of any decision or order by the permitting authority or the administrator under the CAIR SO₂ Trading Program.

C. Neither the permitting authority nor the administrator will adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of any CAIR designated representative, including private legal disputes concerning the proceeds of CAIR SO₂ allowance transfers.

[9 VAC 5-140-3150. Delegation by CAIR designated representative and alternate CAIR designated representative.

A. A CAIR designated representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the administrator provided for or required under this part.

B. An alternate CAIR designated representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the administrator provided for or required under this part.

C. In order to delegate authority to make an electronic submission to the administrator in accordance with subsection A or B of this section, the CAIR designated representative or alternate CAIR designated representative, as appropriate, must submit to the administrator a notice of delegation, in a format prescribed by the administrator, that includes the following elements:

1. The name, address, e-mail address, telephone number, and facsimile transmission number (if any) of such CAIR designated representative or alternate CAIR designated representative;

2. The name, address, e-mail address, telephone number, and facsimile transmission number (if any) of each such natural person (referred to as an "agent");

3. For each such natural person, a list of the type or types of electronic submissions under subsection A or B of this section for which authority is delegated to him or her; and

4. The following certification statements by such CAIR designated representative or alternate CAIR designated representative:

a. "I agree that any electronic submission to the administrator that is by an agent identified in this notice of delegation and of a type listed for such agent in this notice of delegation and that is made when I am a CAIR designated representative or alternate CAIR designated representative, as appropriate, and before this notice of delegation is superseded by another notice of delegation under 9 VAC 5-140-3150 D shall be deemed to be an electronic submission by me."

b. "Until this notice of delegation is superseded by another notice of delegation under 9 VAC 5-140-3150 D, I agree to maintain an e-mail account and to notify the administrator immediately of any change in my e-mail address unless all delegation of authority by me under 9 VAC 5-140-3150 is terminated."

D. A notice of delegation submitted under subsection C of this section shall be effective, with regard to the CAIR designated representative or alternate CAIR designated representative identified in such notice, upon receipt of such notice by the administrator and until receipt by the administrator of a superseding notice of delegation submitted by such CAIR designated representative or alternate CAIR designated representative, as appropriate. The superseding notice of delegation may replace any previously identified agent, add a new agent, or eliminate entirely any delegation of authority.

E. Any electronic submission covered by the certification in subdivision C 4 a of this section and made in accordance with a notice of delegation effective under subsection D of this section shall be deemed to be an electronic submission by the CAIR designated representative or alternate CAIR designated representative submitting such notice of delegation.]

Article 33. Permits.

9 VAC 5-140-3200. General CAIR SO₂ Trading Program permit requirements.

A. For each CAIR SO₂ source required to have a title V operating permit or required, under Article 39 (9 VAC 5-140-3800 et seq.) of this part, to have a title V operating permit or state operating permit, such permit shall include a CAIR permit administered by the permitting authority for the title V operating permit or the state operating permit as applicable. The CAIR portion of the title V permit or state operating permit as applicable shall be administered in accordance with the permitting authority's title V operating permit regulations or regulations for state operating permits as applicable, except as provided otherwise by [9 VAC 5-140-3050.] this article[,] and Article 39 (9 VAC 5-140-3800 et seq.) of this part.

B. Each CAIR permit shall contain, with regard to the CAIR SO₂ source and the CAIR SO₂ units at the source covered by the CAIR permit, all applicable CAIR SO₂ Trading Program, CAIR NO_x Annual Trading Program, and CAIR NO_x Ozone Season Trading Program requirements and shall be a complete and separable portion of the title V operating permit or state operating permit under subsection A of this section.

9 VAC 5-140-3210. Submission of CAIR permit applications.

A. The CAIR designated representative of any CAIR SO₂ source required to have a title V operating permit shall submit to the permitting authority a complete CAIR permit application under 9 VAC 5-140-3220

for the source covering each CAIR SO₂ unit at the source at least 18 months (or such lesser time provided by the permitting authority) before the later of January 1, 2010 or the date on which the CAIR SO₂ unit commences [commercial] operation[, except as provided in 9 VAC 5-140-3830 A].

B. For a CAIR SO₂ source required to have a title V operating permit, the CAIR designated representative shall submit a complete CAIR permit application under 9 VAC 5-3220 for the source covering each CAIR SO₂ unit at the source to renew the CAIR permit in accordance with the permitting authority's title V operating permit regulations addressing permit renewal[, except as provided in 9 VAC 5-140-3830 B].

9 VAC 5-140-3220. Information requirements for CAIR permit applications.

A complete CAIR permit application shall include the following elements concerning the CAIR SO₂ source for which the application is submitted, in a format acceptable to the permitting authority:

A. Identification of the CAIR SO₂ source;

B. Identification of each CAIR SO₂ unit at the CAIR SO₂ source; and

C. The standard requirements under 9 VAC 5-140-3060.

9 VAC 5-140-3230. CAIR permit contents and term.

A. Each CAIR permit will contain, in a format acceptable to the permitting authority, all elements required for a complete CAIR permit application under 9 VAC 5-140-3220.

B. Each CAIR permit is deemed to incorporate automatically the definitions of terms under 9 VAC 5-140-3020 and, upon recordation by the administrator under Article 36 (9 VAC 5-140-3500 et seq.), 37 (9 VAC 5-140-3600 et seq.), or 39 (9 VAC 5-140-3800 et seq.) of this part, every allocation, transfer, or deduction of a CAIR SO₂ allowance to or from the compliance account of the CAIR SO₂ source covered by the permit.

C. The term of the CAIR permit will be set by the permitting authority, as necessary to facilitate coordination of the renewal of the CAIR permit with issuance, revision, or renewal of the CAIR SO₂ source's title V operating permit or state operating permit as applicable.

9 VAC 5-140-3240. CAIR permit revisions.

Except as provided in 9 VAC 5-140-3230, the permitting authority will revise the CAIR permit, as necessary, in accordance with the permitting authority's title V operating permit regulations or the permitting authority's regulations for state operating permits as applicable addressing permit revisions.

Article 34.
[Reserved].

9 VAC 5-140-3300. [Reserved].

Article 35.
[~~(Reserved)~~ CAIR SO₂ Allowance Allocations].

9 VAC 5-140-3400. [~~(Reserved)~~ State trading budgets.

The state trading budgets for annual allocations of CAIR SO₂ allowances for the control periods are as follows:

A. For use in each control period in 2009 through 2014, the total number of SO₂ tons apportioned to

all CAIR SO₂ units is 63,478.

B. For use in each control period in 2015 and thereafter, the total number of SO₂ tons apportioned to all CAIR SO₂ units is 44,435.

9 VAC 5-140-3410. Timing requirements for CAIR SO₂ allowance allocations.

The timing requirements for the allocation of CAIR SO₂ allowances shall be in accordance with 40 CFR Part 73.

9 VAC 5-140-3420. CAIR SO₂ allowance allocations.

CAIR SO₂ allowances shall be allocated in accordance with 40 CFR Part 73.]

Article 36.

CAIR SO₂ Allowance Tracking System.

9 VAC 5-140-3500. [Reserved].

9 VAC 5-140-3510. Establishment of accounts.

A. Except as provided in 9 VAC 5-140-3840 E, upon receipt of a complete certificate of representation under 9 VAC 5-140-3130, the administrator will establish a compliance account for the CAIR SO₂ source for which the certificate of representation was submitted, unless the source already has a compliance account.

B. General accounts shall be established as follows:

1. Applications for general accounts shall be submitted as follows:

a. Any person may apply to open a general account for the purpose of holding and transferring CAIR SO₂ allowances. An application for a general account may designate one and only one CAIR authorized account representative and one and only one alternate CAIR authorized account representative who may act on behalf of the CAIR authorized account representative. The agreement by which the alternate CAIR authorized account representative is selected shall include a procedure for authorizing the alternate CAIR authorized account representative to act in lieu of the CAIR authorized account representative.

b. A complete application for a general account shall be submitted to the administrator and shall include the following elements in a format prescribed by the administrator:

(1) Name, mailing address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the CAIR authorized account representative and any alternate CAIR authorized account representative;

(2) Organization name and type of organization, if applicable;

(3) A list of all persons subject to a binding agreement for the CAIR authorized account representative and any alternate CAIR authorized account representative to represent their ownership interest with respect to the CAIR SO₂ allowances held in the general account;

(4) The following certification statement by the CAIR authorized account representative and any alternate CAIR authorized account representative: "I certify that I was selected as the CAIR authorized account representative or the alternate CAIR authorized account representative, as applicable, by an agreement that is binding on all persons who have an ownership interest with respect to CAIR SO₂ allowances held in the general account. I certify that I have all the necessary authority to carry

out my duties and responsibilities under the CAIR SO₂ Trading Program on behalf of such persons and that each such person shall be fully bound by my representations, actions, inactions, or submissions and by any order or decision issued to me by the administrator or a court regarding the general account."

(5) The signature of the CAIR authorized account representative and any alternate CAIR authorized account representative and the dates signed.

c. Unless otherwise required by the permitting authority or the administrator, documents of agreement referred to in the application for a general account shall not be submitted to the permitting authority or the administrator. Neither the permitting authority nor the administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

2. Authorization of a CAIR authorized account representative [and alternate CAIR authorized account representative] shall be established as follows:

a. Upon receipt by the administrator of a complete application for a general account under subdivision B 1 of this section:

(1) The administrator will establish a general account for the person or persons for whom the application is submitted.

(2) The CAIR authorized account representative and any alternate CAIR authorized account representative for the general account shall represent and, by such persons' representations, actions, inactions, or submissions, legally bind each person who has an ownership interest with respect to CAIR SO₂ allowances held in the general account in all matters pertaining to the CAIR SO₂ Trading Program, notwithstanding any agreement between the CAIR authorized account representative or any alternate CAIR authorized account representative and such person. Any such person shall be bound by any order or decision issued to the CAIR authorized account representative or any alternate CAIR authorized account representative by the administrator or a court regarding the general account.

(3) Any representation, action, inaction, or submission by any alternate CAIR authorized account representative shall be deemed to be a representation, action, inaction, or submission by the CAIR authorized account representative.

b. Each submission concerning the general account shall be submitted, signed, and certified by the CAIR authorized account representative or any alternate CAIR authorized account representative for the persons having an ownership interest with respect to CAIR SO₂ allowances held in the general account. Each such submission shall include the following certification statement by the CAIR authorized account representative or any alternate CAIR authorized account representative: "I am authorized to make this submission on behalf of the persons having an ownership interest with respect to the CAIR SO₂ allowances held in the general account. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

c. The administrator will accept or act on a submission concerning the general account only if the submission has been made, signed, and certified in accordance with subdivision B 2 b of this section.

3. Changing the CAIR authorized account representative and alternate CAIR authorized account representative and changes in persons with ownership interest shall be accomplished as follows:

a. The CAIR authorized account representative for a general account may be changed at any time upon receipt by the administrator of a superseding complete application for a general account under subdivision B 1 of this section. Notwithstanding any such change, all representations,

actions, inactions, and submissions by the previous CAIR authorized account representative before the time and date when the administrator receives the superseding application for a general account shall be binding on the new CAIR authorized account representative and the persons with an ownership interest with respect to the CAIR SO₂ allowances in the general account.

b. The alternate CAIR authorized account representative for a general account may be changed at any time upon receipt by the administrator of a superseding complete application for a general account under subdivision B 1 of this section. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR authorized account representative before the time and date when the administrator receives the superseding application for a general account shall be binding on the new alternate CAIR authorized account representative and the persons with an ownership interest with respect to the CAIR SO₂ allowances in the general account.

c.(1) In the event a ~~new~~ person having an ownership interest with respect to CAIR SO₂ allowances in the general account is not included in the list of such persons in the application for a general account, such ~~new~~ person shall be deemed to be subject to and bound by the application for a general account, the representation, actions, inactions, and submissions of the CAIR authorized account representative and any alternate CAIR authorized account representative of the account, and the decisions and orders of the administrator or a court, as if the ~~new~~ person were included in such list.

(2) Within 30 days following any change in the persons having an ownership interest with respect to CAIR SO₂ allowances in the general account, including the addition of ~~persons~~ a new person], the CAIR authorized account representative or any alternate CAIR authorized account representative shall submit a revision to the application for a general account amending the list of persons having an ownership interest with respect to the CAIR SO₂ allowances in the general account to include the change.

4. Objections concerning the CAIR authorized account representative [and alternate CAIR authorized account representative] shall be processed as follows:

a. Once a complete application for a general account under subdivision B 1 of this section has been submitted and received, the administrator will rely on the application unless and until a superseding complete application for a general account under subdivision B 1 of this section is received by the administrator.

b. Except as provided in subdivision B 3 a or b of this section, no objection or other communication submitted to the administrator concerning the authorization, or any representation, action, inaction, or submission of the CAIR authorized account representative or any ~~alternative~~ alternate] CAIR authorized account representative for a general account shall affect any representation, action, inaction, or submission of the CAIR authorized account representative or any ~~alternative~~ alternate] CAIR authorized account representative or the finality of any decision or order by the administrator under the CAIR SO₂ Trading Program.

c. The administrator will not adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of the CAIR authorized account representative or any ~~alternative~~ alternate] CAIR authorized account representative for a general account, including private legal disputes concerning the proceeds of CAIR SO₂ allowance transfers.

[5. Delegation by CAIR authorized account representative and alternate CAIR authorized account representative shall be as follows.

a. A CAIR authorized account representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the administrator provided for or required under Articles 36 (9 VAC 5-140-3500 et seq.) and 37 (9 VAC 5-140-3600 et seq.) of this part.

b. An alternate CAIR authorized account representative may delegate, to one or more natural persons, his or her authority to make an electronic submission to the administrator provided for

or required under Articles 36 (9 VAC 5-140-3500 et seq.) and 37 (9 VAC 5-140-3600 et seq.) of this part.

c. In order to delegate authority to make an electronic submission to the administrator in accordance with subdivision a or b of this subdivision, the CAIR authorized account representative or alternate CAIR authorized account representative, as appropriate, must submit to the administrator a notice of delegation, in a format prescribed by the administrator, that includes the following elements:

(1) The name, address, e-mail address, telephone number, and facsimile transmission number (if any) of such CAIR authorized account representative or alternate CAIR authorized account representative;

(2) The name, address, e-mail address, telephone number, and, facsimile transmission number (if any) of each such natural person (referred to as an "agent");

(3) For each such natural person, a list of the type or types of electronic submissions under subdivision a or b of this subdivision for which authority is delegated to him or her;

(4) The following certification statement by such CAIR authorized account representative or alternate CAIR authorized account representative: "I agree that any electronic submission to the administrator that is by an agent identified in this notice of delegation and of a type listed for such agent in this notice of delegation and that is made when I am a CAIR authorized account representative or alternate CAIR authorized representative, as appropriate, and before this notice of delegation is superseded by another notice of delegation under 9 VAC 5-140-3510 B 5 d shall be deemed to be an electronic submission by me."; and

(5) The following certification statement by such CAIR authorized account representative or alternate CAIR authorized account representative: "Until this notice of delegation is superseded by another notice of delegation under 9 VAC 5-140-3510 B 5 d, I agree to maintain an e-mail account and to notify the administrator immediately of any change in my e-mail address unless all delegation of authority by me under 9 VAC 5-140-3510 B 5 is terminated."

d. A notice of delegation submitted under subdivision c of this subdivision shall be effective, with regard to the CAIR authorized account representative or alternate CAIR authorized account representative identified in such notice, upon receipt of such notice by the administrator and until receipt by the administrator of a superseding notice of delegation submitted by such CAIR authorized account representative or alternate CAIR authorized account representative, as appropriate. The superseding notice of delegation may replace any previously identified agent, add a new agent, or eliminate entirely any delegation of authority.

e. Any electronic submission covered by the certification in subdivision c (4) of this subsection and made in accordance with a notice of delegation effective under subdivision d of this subdivision shall be deemed to be an electronic submission by the CAIR designated representative or alternate CAIR designated representative submitting such notice of delegation.]

C. The administrator will assign a unique identifying number to each account established under subsection A or B of this section.

9 VAC 5-140-3520. Responsibilities of CAIR authorized account representative.

Following the establishment of a CAIR SO₂ Allowance Tracking System account, all submissions to the administrator pertaining to the account, including, but not limited to, submissions concerning the deduction or transfer of CAIR SO₂ allowances in the account, shall be made only by the CAIR authorized account representative for the account.

9 VAC 5-140-3530. Recordation of CAIR SO₂ allowances.

A.1. After a compliance account is established under 9 VAC 5-140-3510 A or 40 CFR 73.31(a) or (b), the administrator will record in the compliance account any CAIR SO₂ allowance allocated to any CAIR SO₂ unit at the source for each of the 30 years starting the later of 2010 or the year in which the compliance account is established and any CAIR SO₂ allowance allocated for each of the 30 years starting the later of 2010 or the year in which the compliance account is established and transferred to the source in accordance with Article 37 (9 VAC 5-140-3600 et seq.) of this part or subpart D of 40 CFR Part 73.

2. In 2011 and each year thereafter, after administrator has completed all deductions under 9 VAC 5-140-3540 B, the administrator will record in the compliance account any CAIR SO₂ allowance allocated to any CAIR SO₂ unit at the source for the new 30th year (i.e., the year that is 30 years after the calendar year for which such deductions are or could be made) and any CAIR SO₂ allowance allocated for the new 30th year and transferred to the source in accordance with Article 37 (9 VAC 5-140-3600 et seq.) of this part or subpart D of 40 CFR Part 73.

B.1. After a general account is established under 9 VAC 5-140-3510 B or 40 CFR 73.31(c), the administrator will record in the general account any CAIR SO₂ allowance allocated for each of the 30 years starting the later of 2010 or the year in which the general account is established and transferred to the general account in accordance with Article 37 (9 VAC 5-140-3600 et seq.) of this part or subpart D of 40 CFR Part 73.

2. In 2011 and each year thereafter, after administrator has completed all deductions under 9 VAC 5-140-3540 B, the administrator will record in the general account any CAIR SO₂ allowance allocated for the new 30th year (i.e., the year that is 30 years after the calendar year for which such deductions are or could be made) and transferred to the general account in accordance with Article 37 (9 VAC 5-140-3600 et seq.) of this part or subpart D of 40 CFR Part 73.

C. When recording the allocation of CAIR SO₂ allowances issued by a permitting authority under 9 VAC 5-140-3880, the administrator will assign each such CAIR SO₂ allowance a unique identification number that will include digits identifying the year of the control period for which the CAIR SO₂ allowance is allocated.

9 VAC 5-140-3540. Compliance with CAIR SO₂ emissions limitation.

A. The CAIR SO₂ allowances are available to be deducted for compliance with a source's CAIR SO₂ emissions limitation for a control period in a given calendar year only if the CAIR SO₂ allowances:

1. Were allocated for the control period in the year or a prior year: [and]

2. Are held in the compliance account as of the allowance transfer deadline for the control period or are transferred into the compliance account by a CAIR SO₂ allowance transfer correctly submitted for recordation under 9 VAC 5-140-3600 [and 9 VAC 5-140-3610] by the allowance transfer deadline for the control period; and

3. Are not necessary for deductions for excess emissions for a prior control period under subsection D of this section or for deduction under 40 CFR Part 77].

B. Following the recordation, in accordance with 9 VAC 5-140-3610, of CAIR SO₂ allowance transfers submitted for recordation in a source's compliance account by the allowance transfer deadline for a control period, the administrator will deduct from the compliance account CAIR SO₂ allowances available under subsection A of this section in order to determine whether the source meets the CAIR SO₂ emissions limitation for the control period as follows:

1. For a CAIR SO₂ source subject to an Acid Rain emissions limitation, the administrator will, in the following order:

a. Deduct the amount of CAIR SO₂ allowances, available under subsection A of this section and not issued by a permitting authority under 9 VAC 5-140-3880, that is required under 40 CFR

73.35(b) and (c). If there are sufficient CAIR SO₂ allowances to complete this deduction, the deduction will be treated as satisfying the requirements of 40 CFR 73.35(b) and (c).

b. Deduct the amount of CAIR SO₂ allowances [~~available under subsection A of this section and~~] not issued by a permitting authority under 9 VAC 5-140-3880, that is required under 40 CFR 73.35 and 77.5. If there are sufficient CAIR SO₂ allowances to complete this deduction, the deduction will be treated as satisfying the requirements of 40 CFR 73.35(d) and 77.5.

c. Treating the CAIR SO₂ allowances deducted under subdivision B 1 a of this section as also being deducted under this subdivision, deduct CAIR SO₂ allowances available under subsection A of this section (including any issued by a permitting authority under 9 VAC 5-140-3880 in order to determine whether the source meets the CAIR SO₂ emissions limitation for the control period, as follows:

(1) Until the tonnage equivalent of the CAIR SO₂ allowances deducted equals, or exceeds in accordance with subdivisions C 1 and 2 of this section, the number of tons of total sulfur dioxide emissions, determined in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part, from all CAIR SO₂ units at the source for the control period; or

(2) If there are insufficient CAIR SO₂ allowances to complete the deductions in subdivision (1) of this subdivision, until no more CAIR SO₂ allowances available under subsection A of this section (including any issued by a permitting authority under 9 VAC 5-140-3880 remain in the compliance account.

2. For a CAIR SO₂ source not subject to an Acid Rain emissions limitation, the administrator will deduct CAIR SO₂ allowances available under subsection A of this section (including any issued by a permitting authority under 9 VAC 5-140-3880 in order to determine whether the source meets the CAIR SO₂ emissions limitation for the control period, as follows:

a. Until the tonnage equivalent of the CAIR SO₂ allowances deducted equals, or exceeds in accordance with subdivisions C 1 and 2 of this section, the number of tons of total sulfur dioxide emissions, determined in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part, from all CAIR SO₂ units at the source for the control period; or

b. If there are insufficient CAIR SO₂ allowances to complete the deductions in subdivision a of this subdivision, until no more CAIR SO₂ allowances available under subsection A of this section (including any issued by a permitting authority under 9 VAC 5-140-3880) remain in the compliance account.

C.1. The CAIR authorized account representative for a source's compliance account may request that specific CAIR SO₂ allowances, identified by serial number, in the compliance account be deducted for emissions or excess emissions for a control period in accordance with subsection B or D of this section. Such request shall be submitted to the administrator by the allowance transfer deadline for the control period and include, in a format prescribed by the administrator, the identification of the CAIR SO₂ source and the appropriate serial numbers.

2. The administrator will deduct CAIR SO₂ allowances under subsection B or D of this section from the source's compliance account, in the absence of an identification or in the case of a partial identification of CAIR SO₂ allowances by serial number under subdivision 1 of this subsection, on a first-in, first-out accounting basis in the following order:

a. Any CAIR SO₂ allowances that were allocated to the units at the source for a control period before 2010, in the order of recordation;

b. Any CAIR SO₂ allowances that were allocated to any entity for a control period before 2010 and transferred and recorded in the compliance account pursuant to Article 37 (9 VAC 5-140-3600 et seq.) of this part or subpart D of 40 CFR Part 73, in the order of recordation;

c. Any CAIR SO₂ allowances that were allocated to the units at the source for a control period during 2010 through 2014, in the order of recordation;

d. Any CAIR SO₂ allowances that were allocated to any entity for a control period during 2010 through 2014 and transferred and recorded in the compliance account pursuant to Article 37 (9 VAC 5-140-3600 et seq.) of this part or subpart D of 40 CFR Part 73, in the order of recordation;

e. Any CAIR SO₂ allowances that were allocated to the units at the source for a control period in 2015 or later, in the order of recordation; and

f. Any CAIR SO₂ allowances that were allocated to any entity for a control period in 2015 or later and transferred and recorded in the compliance account pursuant to Article 37 (9 VAC 5-140-3600 et seq.) of this part or subpart D of 40 CFR Part 73, in the order of recordation.

D. Deductions for excess emissions shall be made as follows:

1. After making the deductions for compliance under subsection B of this section for a control period in a calendar year in which the CAIR SO₂ source has excess emissions, the administrator will deduct from the source's compliance account the tonnage equivalent in CAIR SO₂ allowances, allocated for the control period in the immediately following calendar year (including any issued by a permitting authority under 49 VAC 5-140-3880), equal to, or exceeding in accordance with subdivisions C 1 and 2 of this section[,] 3 times the [following amount: the] number of tons of the source's excess emissions [minus, if the source is subject to an Acid Rain emissions limitation, the amount of the CAIR SO₂ allowances required to be deducted under subdivision B 1 b of this section].

2. Any allowance deduction required under subdivision 1 of this subdivision shall not affect the liability of the owners and operators of the CAIR SO₂ source or the CAIR SO₂ units at the source for any fine, penalty, or assessment, or their obligation to comply with any other remedy, for the same violations, as ordered under the Clean Air Act or the Virginia Air Pollution Control Law.

E. The administrator will record in the appropriate compliance account all deductions from such an account under subsections B ~~[or and]~~ D of this section [and Article 39 (9 VAC 5-140-3800 et seq.) of this part].

F. Administrator actions on submissions will occur as follows:

1. The administrator may review and conduct independent audits concerning any submission under the CAIR SO₂ Trading Program and make appropriate adjustments of the information in the submissions.

2. The administrator may deduct CAIR SO₂ allowances from or transfer CAIR SO₂ allowances to a source's compliance account based on the information in the submissions, as adjusted under subdivision 1 of this ~~subdivision~~ subsection, and record such deductions and transfers].

9 VAC 5-140-3550. Banking.

A. CAIR SO₂ allowances may be banked for future use or transfer in a compliance account or a general account in accordance with subsection B of this section.

B. Any CAIR SO₂ allowance that is held in a compliance account or a general account will remain in such account unless and until the CAIR SO₂ allowance is deducted or transferred under 9 VAC 5-140-3540, 9 VAC 5-140-3560, or Article 37 (9 VAC 5-140-3600 et seq.) [or Article 39 (9 VAC 5-140-3800 et seq.)] of this part.

9 VAC 5-140-3560. Account error.

The administrator may, at the administrator's sole discretion and on the administrator's own motion,

correct any error in any CAIR SO₂ Allowance Tracking System account. Within 10 business days of making such correction, the administrator will notify the CAIR authorized account representative for the account.

9 VAC 5-140-3570. Closing of general accounts.

A. The CAIR authorized account representative of a general account may submit to the administrator a request to close the account, which shall include a correctly submitted allowance transfer under 9 VAC 5-140-3600 [and 9 VAC 5-140-3610] for any CAIR SO₂ allowances in the account to one or more other CAIR SO₂ Allowance Tracking System accounts.

B. If a general account has no allowance transfers in or out of the account for a 12-month period or longer and does not contain any CAIR SO₂ allowances, the administrator may notify the CAIR authorized account representative for the account that the account will be closed following 20 business days after the notice is sent. The account will be closed after the 20-day period unless, before the end of the 20-day period, the administrator receives a correctly submitted transfer of CAIR SO₂ allowances into the account under 9 VAC 5-140-3600 [and 9 VAC 5-140-3610] or a statement submitted by the CAIR authorized account representative demonstrating to the satisfaction of the administrator good cause as to why the account should not be closed.

Article 37.
CAIR SO₂ Allowance Transfers.

9 VAC 5-140-3600. Submission of CAIR SO₂ allowance transfers.

A. A CAIR authorized account representative seeking recordation of a CAIR SO₂ allowance transfer shall submit the transfer to the administrator. To be considered correctly submitted, the CAIR SO₂ allowance transfer shall include the following elements, in a format specified by the administrator:

1. The account numbers of both the transferor and transferee accounts;
2. The serial number of each CAIR SO₂ allowance that is in the transferor account and is to be transferred; and
3. The name and signature of the CAIR authorized account representatives of the transferor and transferee accounts and the dates signed.

B.1. The CAIR authorized account representative for the transferee account can meet the requirements in subdivision A 3 of this section by submitting, in a format prescribed by the administrator, a statement signed by the CAIR authorized account representative and identifying each account into which any transfer of allowances, submitted on or after the date on which the administrator receives such statement, is authorized. Such authorization shall be binding on any CAIR authorized account representative for such account and shall apply to all transfers into the account that are submitted on or after such date of receipt, unless and until the administrator receives a statement signed by the CAIR authorized account representative retracting the authorization for the account.

2. The statement under subdivision 1 of this subsection shall include the following: "By this signature I authorize any transfer of allowances into each account listed herein, except that I do not waive any remedies under state or federal law to obtain correction of any erroneous transfers into such accounts. This authorization shall be binding on any CAIR authorized account representative for such account unless and until a statement signed by the CAIR authorized account representative retracting this authorization for the account is received by the administrator."

9 VAC 5-140-3610. EPA recordation.

A. Within five business days (except as necessary to perform a transfer in perpetuity of CAIR SO₂

allowances allocated to a CAIR SO₂ unit or as provided in subsection B of this section) of receiving a CAIR SO₂ allowance transfer, the administrator will record a CAIR SO₂ allowance transfer by moving each CAIR SO₂ allowance from the transferor account to the transferee account as specified by the request, provided that:

1. The transfer is correctly submitted under 9 VAC 5-140-3600: [and]
2. The transferor account includes each CAIR SO₂ allowance identified by serial number in the transfer[- ; and
3. The transfer is in accordance with the limitation on transfer under 40 CFR 74.42 and 74.47(c), as applicable.]

B. A CAIR SO₂ allowance transfer that is submitted for recordation after the allowance transfer deadline for a control period and that includes any CAIR SO₂ allowances allocated for any control period before such allowance transfer deadline will not be recorded until after the administrator completes the deductions under 9 VAC 5-140-3540 for the control period immediately before such allowance transfer deadline.

C. Where a CAIR SO₂ allowance transfer submitted for recordation fails to meet the requirements of subsection A of this section, the administrator will not record such transfer.

9 VAC 5-140-3620. Notification.

A. Within five business days of recordation of a CAIR SO₂ allowance transfer under 9 VAC 5-140-3610, the administrator will notify the CAIR authorized account representatives of both the transferor and transferee accounts.

B. Within 10 business days of receipt of a CAIR SO₂ allowance transfer that fails to meet the requirements of 9 VAC 5-140-3610 A, the administrator will notify the CAIR authorized account representatives of both accounts subject to the transfer of:

1. A decision not to record the transfer, and
2. The reasons for such non-recordation.

C. Nothing in this section shall preclude the submission of a CAIR SO₂ allowance transfer for recordation following notification of non-recordation.

Article 38. Monitoring and Reporting.

9 VAC 5-140-3700. General requirements.

The owners and operators, and to the extent applicable, the CAIR designated representative, of a CAIR SO₂ unit, shall comply with the monitoring, recordkeeping, and reporting requirements as provided in this article and in subparts F and G of 40 CFR Part 75. For purposes of complying with such requirements, the definitions in 9 VAC 5-140-3020 and in 40 CFR 72.2 shall apply, and the terms "affected unit," "designated representative," and "continuous emission monitoring system (CEMS)" in 40 CFR Part 75 shall be deemed to refer to the terms "CAIR SO₂ unit," "CAIR designated representative," and "continuous emission monitoring system (CEMS)" respectively, as defined in 9 VAC 5-140-3020. The owner or operator of a unit that is not a CAIR SO₂ unit but that is monitored under 40 CFR 75.16(b)(2) shall comply with the same monitoring, recordkeeping, and reporting requirements as a CAIR SO₂ unit.

A. The owner or operator of each CAIR SO₂ unit shall:

1. Install all monitoring systems required under this article for monitoring SO₂ mass emissions and individual unit heat input (including all systems required to monitor SO₂ concentration, stack gas moisture content, stack gas flow rate, CO₂ or O₂ concentration, and fuel flow rate, as applicable, in accordance with 40 CFR 75.11 and 75.16);

2. Successfully complete all certification tests required under 9 VAC 5-140-3710 and meet all other requirements of this article and 40 CFR Part 75 applicable to the monitoring systems under subdivision 1 of this subsection; and

3. Record, report, and quality-assure the data from the monitoring systems under subdivision 1 of this subsection.

B. ~~The~~ Except as provided in subsection E of this section, the] owner or operator shall meet the monitoring system certification and other requirements of subdivisions A 1 and 2 of this section on or before the following dates. The owner or operator shall record, report, and quality-assure the data from the monitoring systems under subdivision A 1 of this section on and after the following dates.

1. For the owner or operator of a CAIR SO₂ unit that commences commercial operation before July 1, 2008, by January 1, 2009.

2. For the owner or operator of a CAIR SO₂ unit that commences commercial operation on or after July 1, 2008, by the later of the following dates:

a. January 1, 2009; or

b. 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which the unit commences commercial operation.

3. For the owner or operator of a CAIR SO₂ unit for which construction of a new stack or flue or installation of add-on SO₂ emission controls is completed after the applicable deadline under subdivisions 1, 2, 4, or 5 of this subsection, by 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which emissions first exit to the atmosphere through the new stack or flue or add-on SO₂ emissions controls.

4. Notwithstanding the dates in subdivisions 1 and 2 of this subsection, for the owner or operator of a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, by the date specified in 9 VAC 5-140-3840 B.

5. Notwithstanding the dates in subdivisions 1 and 2 of this subsection ~~[and solely for purposes of 9 VAC 5-140-3060 C-2]~~, for the owner or operator of a CAIR SO₂ opt-in unit under Article 39 (9 VAC 5-140-3800 et seq.) of this part, by the date on which the CAIR SO₂ opt-in unit enters the CAIR SO₂ Trading Program as provided in 9 VAC 5-140-3840 G.

C. ~~Data shall be reported as follows:~~

1. ~~Except as provided in subdivision 2 of this subsection, the~~ The] owner or operator of a CAIR SO₂ unit that does not meet the applicable compliance date set forth in subsection B of this section for any monitoring system under subdivision A 1 of this section shall, for each such monitoring system, determine, record, and report maximum potential (or, as appropriate, minimum potential) values for SO₂ concentration, ~~[SO₂ emission rate,~~ stack gas flow rate, stack gas moisture content, fuel flow rate, and any other parameters required to determine SO₂ mass emissions and heat input in accordance with 40 CFR 75.31(b)(2) or (c)(3) or section 2.4 of appendix D to 40 CFR Part 75, as applicable.

~~[2. The owner or operator of a CAIR SO₂ unit that does not meet the applicable compliance date set forth in subdivision B 3 of this section for any monitoring system under subdivision A 1 of this section shall, for each such monitoring system, determine, record, and report substitute data using the~~

applicable missing data procedures in subpart D of or appendix D to 40 CFR Part 75, in lieu of the maximum potential (or, as appropriate, minimum potential) values, for a parameter if the owner or operator demonstrates that there is continuity between the data streams for that parameter before and after the construction or installation under subdivision B 3 of this section.]

D. The following prohibitions shall apply.

1. No owner or operator of a CAIR SO₂ unit shall use any alternative monitoring system, alternative reference method, or any other alternative to any requirement of this article without having obtained prior written approval in accordance with 9 VAC 5-140-3750.

2. No owner or operator of a CAIR SO₂ unit shall operate the unit so as to discharge, or allow to be discharged, SO₂ emissions to the atmosphere without accounting for all such emissions in accordance with the applicable provisions of this article and 40 CFR Part 75.

3. No owner or operator of a CAIR SO₂ unit shall disrupt the continuous emission monitoring system, any portion thereof, or any other approved emission monitoring method, and thereby avoid monitoring and recording SO₂ mass emissions discharged into the atmosphere [or heat input], except for periods of recertification or periods when calibration, quality assurance testing, or maintenance is performed in accordance with the applicable provisions of this article and 40 CFR Part 75.

4. No owner or operator of a CAIR SO₂ unit shall retire or permanently discontinue use of the continuous emission monitoring system, any component thereof, or any other approved monitoring system under this article, except under any one of the following circumstances:

a. During the period that the unit is covered by an exemption under 9 VAC 5-140-3050 that is in effect;

b. The owner or operator is monitoring emissions from the unit with another certified monitoring system approved, in accordance with the applicable provisions of this article and 40 CFR Part 75, by the permitting authority for use at that unit that provides emission data for the same pollutant or parameter as the retired or discontinued monitoring system; or

c. The CAIR designated representative submits notification of the date of certification testing of a replacement monitoring system for the retired or discontinued monitoring system in accordance with 9 VAC 5-140-3710 D 3 a.

[E. The owner or operator of a CAIR SO₂ unit is subject to the applicable provisions of 40 CFR Part 75 concerning units in long-term cold storage.]

9 VAC 5-140-3710. Initial certification and recertification procedures.

A. The owner or operator of a CAIR SO₂ unit shall be exempt from the initial certification requirements of this section for a monitoring system under 9 VAC 5-140-3700 A 1 if the following conditions are met:

1. The monitoring system has been previously certified in accordance with 40 CFR Part 75; and

2. The applicable quality-assurance and quality-control requirements of 40 CFR 75.21 and appendix B and appendix D to 40 CFR Part 75 are fully met for the certified monitoring system described in subdivision 1 of this subsection.

B. The recertification provisions of this section shall apply to a monitoring system under 9 VAC 5-140-3700 A 1 exempt from initial certification requirements under subsection A of this section.

C. [If the administrator has previously approved a petition under 40 CFR 75.16(b)(2)(ii) for

apportioning the SO₂ mass emissions measured in a common stack or a petition under 40 CFR 75.66 for an alternative to a requirement in 40 CFR 75.11 or 75.16, the CAIR designated representative shall resubmit the petition to the administrator under 9 VAC 5-140-3750 A to determine whether the approval applies under the CAIR SO₂ Trading Program Reserved].

D. Except as provided in subsection A of this section, the owner or operator of a CAIR SO₂ unit shall comply with the following initial certification and recertification procedures, for a continuous monitoring system (i.e., a continuous emission monitoring system and an excepted monitoring system under appendix D to 40 CFR Part 75) under 9 VAC 5-140-3700 A 1. The owner or operator of a unit that qualifies to use the low mass emissions excepted monitoring methodology under 40 CFR 75.19 or that qualifies to use an alternative monitoring system under subpart E of 40 CFR Part 75 shall comply with the procedures in subsection E or F of this section, respectively.

1. The owner or operator shall ensure that each continuous monitoring system under 9 VAC 5-140-3700 A 1 (including the automated data acquisition and handling system) successfully completes all of the initial certification testing required under 40 CFR 75.20 by the applicable deadline in 9 VAC 5-140-3700 B. In addition, whenever the owner or operator installs a monitoring system to meet the requirements of this article in a location where no such monitoring system was previously installed, initial certification in accordance with 40 CFR 75.20 is required.

2. Whenever the owner or operator makes a replacement, modification, or change in any certified continuous emission monitoring system under 9 VAC 5-140-3700 A 1 that may significantly affect the ability of the system to accurately measure or record SO₂ mass emissions or heat input rate or to meet the quality-assurance and quality-control requirements of 40 CFR 75.21 or appendix B to 40 CFR Part 75, the owner or operator shall recertify the monitoring system in accordance with 40 CFR 75.20(b). Furthermore, whenever the owner or operator makes a replacement, modification, or change to the flue gas handling system or the unit's operation that may significantly change the stack flow or concentration profile, the owner or operator shall recertify each continuous emission monitoring system whose accuracy is potentially affected by the change, in accordance with 40 CFR 75.20(b). Examples of changes to a continuous emission monitoring system that require recertification include: replacement of the analyzer, complete replacement of an existing continuous emission monitoring system, or change in location or orientation of the sampling probe or site. Any fuel flowmeter system under 9 VAC 5-140-3700 A 1 is subject to the recertification requirements in 40 CFR 75.20(g)(6).

3. Subdivisions a through d of this subdivision apply to both initial certification and recertification of a continuous monitoring system under 9 VAC 5-140-3700 A 1. For recertifications, replace the words "certification" and "initial certification" with the word "recertification," replace the word "certified" with the word "recertified," and follow the procedures in 40 CFR 75.20(b)(5) and (g)(7) in lieu of the procedures in subdivision e of this subdivision.

a. The CAIR designated representative shall submit to the permitting authority, the EPA Region III Office, and the administrator written notice of the dates of certification testing, in accordance with 9 VAC 5-140-3730.

b. The CAIR designated representative shall submit to the permitting authority a certification application for each monitoring system. A complete certification application shall include the information specified in 40 CFR 75.63.

c. The provisional certification date for a monitoring system shall be determined in accordance with 40 CFR 75.20(a)(3). A provisionally certified monitoring system may be used under the CAIR SO₂ Trading Program for a period not to exceed 120 days after receipt by the permitting authority of the complete certification application for the monitoring system under subdivision b of this subdivision. Data measured and recorded by the provisionally certified monitoring system, in accordance with the requirements of 40 CFR Part 75, will be considered valid quality-assured data (retroactive to the date and time of provisional certification), provided that the permitting authority does not invalidate the provisional certification by issuing a notice of disapproval within 120 days of the date of receipt of the complete certification application by the permitting authority.

d. The permitting authority will issue a written notice of approval or disapproval of the certification application to the owner or operator within 120 days of receipt of the complete certification application under subdivision b of this subdivision. In the event the permitting authority does not issue such a notice within such 120-day period, each monitoring system that meets the applicable performance requirements of 40 CFR Part 75 and is included in the certification application will be deemed certified for use under the CAIR SO₂ Trading Program.

(1) If the certification application is complete and shows that each monitoring system meets the applicable performance requirements of 40 CFR Part 75, then the permitting authority will issue a written notice of approval of the certification application within 120 days of receipt.

(2) If the certification application is not complete, then the permitting authority will issue a written notice of incompleteness that sets a reasonable date by which the CAIR designated representative shall submit the additional information required to complete the certification application. If the CAIR designated representative does not comply with the notice of incompleteness by the specified date, then the permitting authority may issue a notice of disapproval under subdivision (3) of this subdivision. The 120-day review period shall not begin before receipt of a complete certification application.

(3) If the certification application shows that any monitoring system does not meet the performance requirements of 40 CFR Part 75 or if the certification application is incomplete and the requirement for disapproval under subdivision (2) of this subdivision is met, then the permitting authority will issue a written notice of disapproval of the certification application. Upon issuance of such notice of disapproval, the provisional certification is invalidated by the permitting authority and the data measured and recorded by each uncertified monitoring system shall not be considered valid quality-assured data beginning with the date and hour of provisional certification (as defined under 40 CFR 75.20(a)(3)). The owner or operator shall follow the procedures for loss of certification in subdivision e of this subdivision for each monitoring system that is disapproved for initial certification.

(4) The permitting authority or, for a CAIR SO₂ opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, the administrator may issue a notice of disapproval of the certification status of a monitor in accordance with 9 VAC 5-140-3720 B.

e. If the permitting authority or the administrator issues a notice of disapproval of a certification application under subdivision d (3) of this subdivision or a notice of disapproval of certification status under subdivision d (4) of this subdivision, then:

(1) The owner or operator shall substitute the following values, for each disapproved monitoring system, for each hour of unit operation during the period of invalid data specified under 40 CFR 75.20(a)(4)(iii), 40 CFR 75.20(g)(7), or 40 CFR 75.21(e) and continuing until the applicable date and hour specified under 40 CFR 75.20(a)(5)(i) or (g)(7):

(a) For a disapproved SO₂ pollutant concentration monitor and disapproved flow monitor, respectively, the maximum potential concentration of SO₂ and the maximum potential flow rate, as defined in sections 2.1.1.1 and 2.1.4.1 of appendix A to 40 CFR Part 75.

(b) For a disapproved moisture monitoring system and disapproved diluent gas monitoring system, respectively, the minimum potential moisture percentage and either the maximum potential CO₂ concentration or the minimum potential O₂ concentration (as applicable), as defined in sections 2.1.5, 2.1.3.1, and 2.1.3.2 of appendix A to 40 CFR Part 75.

(c) For a disapproved fuel flowmeter system, the maximum potential fuel flow rate, as defined in section 2.4.2.1 of appendix D to 40 CFR Part 75.

(2) The CAIR designated representative shall submit a notification of certification retest dates and a new certification application in accordance with subdivisions a and b of this subdivision.

(3) The owner or operator shall repeat all certification tests or other requirements that were failed by the monitoring system, as indicated in the permitting authority's or the administrator's notice of disapproval, no later than 30 unit operating days after the date of issuance of the notice of disapproval.

E. The owner or operator of a unit qualified to use the low mass emissions (LME) excepted methodology under 40 CFR 75.19 shall meet the applicable certification and recertification requirements in 40 CFR 75.19(a)(2) and 75.20(h). If the owner or operator of such a unit elects to certify a fuel flowmeter system for heat input determination, the owner or operator shall also meet the certification and recertification requirements in 40 CFR 75.20(g).

F. The CAIR designated representative of each unit for which the owner or operator intends to use an alternative monitoring system approved by the administrator and, if applicable, the permitting authority under subpart E of 40 CFR Part 75 shall comply with the applicable notification and application procedures of 40 CFR 75.20(f).

9 VAC 5-140-3720. Out of control periods.

A. Whenever any monitoring system fails to meet the quality assurance and quality control requirements or data validation requirements of 40 CFR Part 75, data shall be substituted using the applicable missing data procedures in subpart D of or appendix D to 40 CFR Part 75.

B. Whenever both an audit of a monitoring system and a review of the initial certification or recertification application reveal that any monitoring system should not have been certified or recertified because it did not meet a particular performance specification or other requirement under 9 VAC 5-140-3710 or the applicable provisions of 40 CFR Part 75, both at the time of the initial certification or recertification application submission and at the time of the audit, the permitting authority or, for a CAIR SO₂ opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, the administrator will issue a notice of disapproval of the certification status of such monitoring system. For the purposes of this subsection, an audit shall be either a field audit or an audit of any information submitted to the permitting authority or the administrator. By issuing the notice of disapproval, the permitting authority or the administrator revokes prospectively the certification status of the monitoring system. The data measured and recorded by the monitoring system shall not be considered valid quality-assured data from the date of issuance of the notification of the revoked certification status until the date and time that the owner or operator completes subsequently approved initial certification or recertification tests for the monitoring system. The owner or operator shall follow the applicable initial certification or recertification procedures in 9 VAC 5-140-3710 for each disapproved monitoring system.

9 VAC 5-140-3730. Notifications.

The CAIR designated representative for a CAIR SO₂ unit shall submit written notice to the permitting authority and the administrator in accordance with 40 CFR 75.61[~~, except that if the unit is not subject to an Acid Rain emissions limitation, the notification is only required to be sent to the permitting authority~~].

9 VAC 5-140-3740. Recordkeeping and reporting.

A. The CAIR designated representative shall comply with all recordkeeping and reporting requirements in this section, the applicable recordkeeping and reporting requirements in subparts F and G of 40 CFR Part 75, and the requirements of 9 VAC 5-140-3100 E 1.

B. The owner or operator of a CAIR SO₂ unit shall comply with requirements of 40 CFR 75.62 and, for a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, 9 VAC 5-140-3830 and 9 VAC 5-140-3840 A.

C. The CAIR designated representative shall submit an application to the permitting authority within 45 days after completing all initial certification or recertification tests required under 9 VAC 5-140-3710, including the information required under 40 CFR 75.63.

D. The CAIR designated representative shall submit quarterly reports, as follows:

1. The CAIR designated representative shall report the SO₂ mass emissions data and heat input data for the CAIR SO₂ unit, in an electronic quarterly report in a format prescribed by the administrator, for each calendar quarter beginning with:

a. For a unit that commences commercial operation before July 1, 2008, the calendar quarter covering January 1, 2009 through March 31, 2009; [et]

b. For a unit that commences commercial operation on or after July 1, 2008, the calendar quarter corresponding to the earlier of the date of provisional certification or the applicable deadline for initial certification under 9 VAC 5-140-3700 B, unless that quarter is the third or fourth quarter of 2008, in which case reporting shall commence in the quarter covering January 1, 2009 through March 31, 2009[;

c. Notwithstanding subdivisions a and b of this subdivision, for a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, the calendar quarter corresponding to the date specified in 9 VAC 5-140-3840 B; and

d. Notwithstanding subdivisions a and b of this subdivision, for a CAIR SO₂ opt-in unit under Article 39 (9 VAC 5-140-3800 et seq.) of this part, the calendar quarter corresponding to the date on which the CAIR SO₂ opt-in unit enters the CAIR SO₂ Trading Program as provided in 9 VAC 5-140-3840 G.]

2. The CAIR designated representative shall submit each quarterly report to the administrator within 30 days following the end of the calendar quarter covered by the report. Quarterly reports shall be submitted in the manner specified in 40 CFR 75.64.

3. For CAIR SO₂ units that are also subject to an Acid Rain emissions limitation or the CAIR NO_x Annual Trading Program [et .] CAIR NO_x Ozone Season Trading Program, [or Hg Budget Trading Program,] quarterly reports shall include the applicable data and information required by subparts F through [H I] of 40 CFR Part 75 as applicable, in addition to the SO₂ mass emission data, heat input data, and other information required by this article.

E. The CAIR designated representative shall submit to the administrator a compliance certification (in a format prescribed by the administrator) in support of each quarterly report based on reasonable inquiry of those persons with primary responsibility for ensuring that all of the unit's emissions are correctly and fully monitored. The certification shall state that:

1. The monitoring data submitted were recorded in accordance with the applicable requirements of this article and 40 CFR Part 75, including the quality assurance procedures and specifications; and

2. For a unit with add-on SO₂ emission controls and for all hours where SO₂ data are substituted in accordance with 40 CFR 75.34 [A-4 (a)(1)], the add-on emission controls were operating within the range of parameters listed in the quality assurance/quality control program under appendix B to 40 CFR Part 75 and the substitute data values do not systematically underestimate SO₂ emissions.

9 VAC 5-140-3750. Petitions.

A. The CAIR designated representative of a CAIR SO₂ unit that is subject to an Acid Rain emissions limitation may submit a petition under 40 CFR 75.66 to the administrator requesting approval to apply an alternative to any requirement of this article. Application of an alternative to any requirement of this article is

in accordance with this article only to the extent that the petition is approved in writing by the administrator, in consultation with the permitting authority.

B. The CAIR designated representative of a CAIR SO₂ unit that is not subject to an Acid Rain emissions limitation may submit a petition under 40 CFR 75.66 to the permitting authority and the administrator requesting approval to apply an alternative to any requirement of this article. Application of an alternative to any requirement of this article is in accordance with this article only to the extent that the petition is approved in writing by both the permitting authority and the administrator.

~~9 VAC 5-140-3760. Additional requirements to provide heat input data.~~

~~The owner or operator of a CAIR SO₂ unit that monitors and reports SO₂ mass emissions using a SO₂ concentration system and a flow system shall also monitor and report heat input rate at the unit level using the procedures set forth in 40 CFR Part 75.~~

Article 39. CAIR SO₂ Opt-in Units.

9 VAC 5-140-3800. Applicability.

A CAIR SO₂ opt-in unit shall be a unit that:

A. Is located in the state;

B. Is not a CAIR SO₂ unit under 9 VAC 5-140-3040 and is not covered by a retired unit exemption under 9 VAC 5-140-3050 that is in effect;

C. Is not covered by a retired unit exemption under 40 CFR 72.8 that is in effect and is not an opt-in source under 40 CFR Part 74;

D. Has or is required or qualified to have a title V operating permit or state operating permit; and

E. Vents all of its emissions to a stack and can meet the monitoring, recordkeeping, and reporting requirements of Article 38 (9 VAC 5-140-3700 et seq.) of this part.

9 VAC 5-140-3810. General.

A. Except as otherwise provided in 9 VAC 5-140-3010 through 9 VAC 5-140-3040, 9 VAC 5-140-3060 through 9 VAC 5-140-3080, and Articles 32 (9 VAC 5-140-3100 et seq.), 33 (9 VAC 5-140-3200 et seq.), 36 (9 VAC 5-140-3500 et seq.), 37 (9 VAC 5-140-3600 et seq.), and 38 (9 VAC 5-140-3700 et seq.) of this part, a CAIR SO₂ opt-in unit shall be treated as a CAIR SO₂ unit for purposes of applying such sections and articles of this part.

B. Solely for purposes of applying, as provided in this article, the requirements of Article 38 (9 VAC 5-140-3700 et seq.) of this part to a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this article, such unit shall be treated as a CAIR SO₂ unit before issuance of a CAIR opt-in permit for such unit.

9 VAC 5-140-3820. CAIR designated representative.

Any CAIR SO₂ opt-in unit, and any unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this article, located at the same source as one or more CAIR SO₂ units shall have the same CAIR designated representative and alternate CAIR designated representative as such CAIR SO₂ units.

9 VAC 5-140-3830. Applying for CAIR opt-in permit.

A. The CAIR designated representative of a unit meeting the requirements for a CAIR SO₂ opt-in unit in 9 VAC 5-140-3800 may apply for an initial CAIR opt-in permit at any time, except as provided under 9 VAC 5-140-3860 F and G, and, in order to apply, shall submit the following:

1. A complete CAIR permit application under 9 VAC 5-140-3220;
2. A certification, in a format acceptable to the permitting authority, that the unit:
 - a. Is not a CAIR SO₂ unit under 9 VAC 5-140-3040 and is not covered by a retired unit exemption under 9 VAC 5-140-3050 that is in effect;
 - b. Is not covered by a retired unit exemption under 40 CFR 72.8 that is in effect;
 - c. Is not and, so long as the unit is a CAIR SO₂ opt-in unit, will not become, an opt-in source under 40 CFR Part 74;
 - d. Vents all of its emissions to a stack; and
 - e. Has documented heat input for more than 876 hours during the six months immediately preceding submission of the CAIR permit application under 9 VAC 5-140-3220;
3. A monitoring plan in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part;
4. A complete certificate of representation under 9 VAC 5-140-3130 consistent with 9 VAC 5-140-3820, if no CAIR designated representative has been previously designated for the source that includes the unit; and
5. A statement, in a format acceptable to the permitting authority, whether the CAIR designated representative requests that the unit be allocated CAIR SO₂ allowances under 9 VAC 5-140-3880 [B or] C (subject to the conditions in 9 VAC 5-140-3840 H and 9 VAC 5-140-3860 G). [If allocation under 9 VAC 5-140-3880 C is requested, this statement shall include a statement that the owners and operators of the unit intend to repower the unit before January 1, 2015 and that they will provide, upon request, documentation demonstrating such intent.]

B. Opt-in permit renewal shall be required as follows:

1. The CAIR designated representative of a CAIR SO₂ opt-in unit shall submit a complete CAIR permit application under 9 VAC 5-140-3220 to renew the CAIR opt-in unit permit in accordance with the permitting authority's regulations for title V operating permits, or the permitting authority's regulations for state operating permits if applicable, addressing permit renewal.
2. Unless the permitting authority issues a notification of acceptance of withdrawal of the CAIR [SO₂] opt-in unit from the CAIR SO₂ Trading Program in accordance with 9 VAC 5-140-3860 or the unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040, the CAIR SO₂ opt-in unit shall remain subject to the requirements for a CAIR SO₂ opt-in unit, even if the CAIR designated representative for the CAIR SO₂ opt-in unit fails to submit a CAIR permit application that is required for renewal of the CAIR opt-in permit under subdivision 1 of this subsection.

9 VAC 5-140-3840. Opt-in process.

The permitting authority will issue or deny a CAIR opt-in permit for a unit for which an initial application for a CAIR opt-in permit under 9 VAC 5-140-3830 is submitted in accordance with the following:

A. The permitting authority and the administrator will determine, on an interim basis, the sufficiency of the monitoring plan accompanying the initial application for a CAIR opt-in permit under 9 VAC 5-140-3830. A monitoring plan is sufficient, for purposes of interim review, if the plan appears to contain information

demonstrating that the SO₂ emissions rate and heat input of the unit [and all other applicable parameters] are monitored and reported in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part. A determination of sufficiency shall not be construed as acceptance or approval of the monitoring plan.

B. Monitoring and reporting shall be as follows:

1.a. If the permitting authority and the administrator determine that the monitoring plan is sufficient under subsection A of this section, the owner or operator shall monitor and report the SO₂ emissions rate and the heat input of the unit and all other applicable parameters, in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part, starting on the date of certification of the appropriate monitoring systems under Article 38 (9 VAC 5-140-3700 et seq.) of this part and continuing until a CAIR opt-in permit is denied under 9 VAC 5-140-3840 F or, if a CAIR opt-in permit is issued, the date and time when the unit is withdrawn from the CAIR SO₂ Trading Program in accordance with 9 VAC 5-140-3860.

b. The monitoring and reporting under subdivision a of this subdivision shall include the entire control period immediately before the date on which the unit enters the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G, during which period monitoring system availability shall not be less than 90.0% under Article 38 (9 VAC 5-140-3700 et seq.) of this part and the unit shall be in full compliance with any applicable state or federal emissions or emissions-related requirements.

2. To the extent the SO₂ emissions rate and the heat input of the unit are monitored and reported in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part for one or more control periods, in addition to the control period under subdivision 1 b of this subsection, during which control periods monitoring system availability is not less than 90.0% under Article 38 (9 VAC 5-140-3700 et seq.) of this part and the unit is in full compliance with any applicable state or federal emissions or emissions-related requirements and which control periods begin not more than three years before the unit enters the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G, such information shall be used as provided in subsections C and D of this section.

C. The unit's baseline heat [rate input] shall equal:

1. If the unit's SO₂ emissions rate and heat input are monitored and reported for only one control period, in accordance with subdivision B 1 of this section, the unit's total heat input (in mmBtu) for the control period; or

2. If the unit's SO₂ emissions rate and heat input are monitored and reported for more than one control period, in accordance with subdivisions B 1 and 2 of this section, the average of the amounts of the unit's total heat input (in mmBtu) for the control periods under subdivisions B 1 b and [B] 2 of this section.

D. The unit's baseline SO₂ emission rate shall equal:

1. If the unit's SO₂ emissions rate and heat input are monitored and reported for only one control period, in accordance with subdivision B 1 of this section, the unit's SO₂ emissions rate (in lb/mmBtu) for the control period;

2. If the unit's SO₂ emissions rate and heat input are monitored and reported for more than one control period, in accordance with subdivisions B 1 and 2 of this section, and the unit does not have add-on SO₂ emission controls during any such control periods, the average of the amounts of the unit's SO₂ emissions rate (in lb/mmBtu) for the control periods under subdivisions B 1 b and [B] 2 of this section; or

3. If the unit's SO₂ emissions rate and heat input are monitored and reported for more than one control period, in accordance with subdivisions B 1 and 2 of this section, and the unit has add-on SO₂ emission controls during any such control periods, the average of the amounts of the unit's SO₂ emissions rate (in lb/mmBtu) for such control periods during which the unit has add-on SO₂ emission controls.

E. After calculating the baseline heat input and the baseline SO₂ emissions rate for the unit under

subsections C and D of this section and if the permitting authority determines that the CAIR designated representative shows that the unit meets the requirements for a CAIR SO₂ opt-in unit in 9 VAC 5-140-3800 and meets the elements certified in 9 VAC 5-140-3830 A 2, the permitting authority will issue a CAIR opt-in permit. The permitting authority will provide a copy of the CAIR opt-in permit to the administrator, who will then establish a compliance account for the source that includes the CAIR SO₂ opt-in unit unless the source already has a compliance account.

F. Notwithstanding subsections A through E of this section, if at any time before issuance of a CAIR opt-in permit for the unit, the permitting authority determines that the CAIR designated representative fails to show that the unit meets the requirements for a CAIR SO₂ opt-in unit in 9 VAC 5-140-3800 or meets the elements certified in 9 VAC 5-140-3830 A 2, the permitting authority will issue a denial of a CAIR [SO₂] opt-in permit for the unit.

G. A unit for which an initial CAIR opt-in permit is issued by the permitting authority shall become a CAIR SO₂ opt-in unit, and a CAIR SO₂ unit, as of the later of January 1, 2010 or January 1 of the first control period during which such CAIR opt-in permit is issued.

H. Repowered CAIR SO₂ opt-in units shall meet the following requirements.

1. If the CAIR designated representative requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to a CAIR SO₂ opt-in unit of CAIR SO₂ allowances under 9 VAC 5-140-3880 C and such unit is repowered after its date of entry into the CAIR SO₂ Trading Program under subsection G of this section, the repowered unit shall be treated as a CAIR SO₂ opt-in unit replacing the original CAIR SO₂ opt-in unit, as of the date of start-up of the repowered unit's combustion chamber.

2. Notwithstanding subsections C and D of this section, as of the date of start-up under subdivision 1 of this subsection, the repowered unit shall be deemed to have the same date of commencement of operation, date of commencement of commercial operation, baseline heat input, and baseline SO₂ emission rate as the original CAIR SO₂ opt-in unit, and the original CAIR SO₂ opt-in unit shall no longer be treated as a CAIR [SO₂] opt-in unit or a CAIR SO₂ unit.

9 VAC 5-140-3850. CAIR opt-in permit contents.

A. Each CAIR opt-in permit will contain:

1. All elements required for a complete CAIR permit application under 9 VAC 5-140-3220;

2. The certification in 9 VAC 5-140-3830 A 2;

3. The unit's baseline heat input under 9 VAC 5-140-3840 C;

4. The unit's baseline SO₂ emission rate under 9 VAC 5-140-3840 D;

5. A statement whether the unit is to be allocated CAIR SO₂ allowances under 9 VAC 5-140-3880 [B or] C (subject to the conditions in 9 VAC 5-140-3840 H and 9 VAC 5-140-3860 G);

6. A statement that the unit may withdraw from the CAIR SO₂ Trading Program only in accordance with 9 VAC 5-140-3860; and

7. A statement that the unit is subject to, and the owners and operators of the unit shall comply with, the requirements of 9 VAC 5-140-3870.

B. Each CAIR opt-in permit is deemed to incorporate automatically the definitions of terms under 9 VAC 5-140-3020 and, upon recordation by the administrator under Articles 36 (9 VAC 5-140-3500 et seq.)~~1~~ or 37 (9 VAC 5-140-3600 et seq.)~~1~~, or 39 (9 VAC 5-140-3800 et seq.)~~1~~ of this part or this ~~subpart~~ article], every allocation, transfer, or deduction of CAIR SO₂ allowances to or from the compliance account of the source that includes a CAIR SO₂ opt-in unit covered by the CAIR opt-in permit.

C. The CAIR opt-in permit shall be included, in a format acceptable to the permitting authority, in the CAIR permit for the source where the CAIR [SO₂] opt-in unit is located [and in a title V operating permit or state operating permit for the source].

9 VAC 5-140-3860. Withdrawal from CAIR SO₂ Trading Program.

Except as provided under subsection G of this section, a CAIR SO₂ opt-in unit may withdraw from the CAIR SO₂ Trading Program, but only if the permitting authority issues a notification to the CAIR designated representative of the CAIR SO₂ opt-in unit of the acceptance of the withdrawal of the CAIR SO₂ opt-in unit in accordance with subsection D of this section.

A. In order to withdraw a CAIR [SO₂] opt-in unit from the CAIR SO₂ Trading Program, the CAIR designated representative of the CAIR SO₂ opt-in unit shall submit to the permitting authority a request to withdraw effective as of midnight of December 31 of a specified calendar year, which date must be at least four years after December 31 of the year of entry into the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G. The request shall be submitted no later than 90 days before the requested effective date of withdrawal.

B. Before a CAIR SO₂ opt-in unit covered by a request under subsection A of this section may withdraw from the CAIR SO₂ Trading Program and the CAIR opt-in permit may be terminated under subsection E of this section, the following conditions must be met:

1. For the control period ending on the date on which the withdrawal is to be effective, the source that includes the CAIR SO₂ opt-in unit must meet the requirement to hold CAIR SO₂ allowances under 9 VAC 5-140-3060 and must not have any excess emissions.

2. After the requirement for withdrawal under subdivision 1 of this subsection is met, the administrator will deduct from the compliance account of the source that includes the CAIR SO₂ opt-in unit CAIR SO₂ allowances equal in amount to and allocated for the same or a prior control period as any CAIR SO₂ allowances allocated to the CAIR SO₂ opt-in unit under 9 VAC 5-140-3880 for any control period for which the withdrawal is to be effective. If there are no remaining CAIR SO₂ units at the source, the administrator will close the compliance account, and the owners and operators of the CAIR SO₂ opt-in unit may submit a CAIR SO₂ allowance transfer for any remaining CAIR SO₂ allowances to another CAIR SO₂ Allowance Tracking System in accordance with Article 37 (9 VAC 5-140-3600 et seq.) of this part.

C. Notification shall be performed as follows:

1. After the requirements for withdrawal under subsections A and B of this section are met (including deduction of the full amount of CAIR SO₂ allowances required), the permitting authority will issue a notification to the CAIR designated representative of the CAIR SO₂ opt-in unit of the acceptance of the withdrawal of the CAIR SO₂ opt-in unit as of midnight on December 31 of the calendar year for which the withdrawal was requested.

2. If the requirements for withdrawal under subsections A and B of this section are not met, the permitting authority will issue a notification to the CAIR designated representative of the CAIR SO₂ opt-in unit that the CAIR SO₂ opt-in unit's request to withdraw is denied. Such CAIR SO₂ opt-in unit shall continue to be a CAIR SO₂ opt-in unit.

D. After the permitting authority issues a notification under subdivision C 1 of this subsection that the requirements for withdrawal have been met, the permitting authority will revise the CAIR permit covering the CAIR SO₂ opt-in unit to terminate the CAIR opt-in permit for such unit as of the effective date specified under subdivision C 1 of this subsection. The unit shall continue to be a CAIR SO₂ opt-in unit until the effective date of the termination and shall comply with all requirements under the CAIR SO₂ Trading Program concerning any control periods for which the unit is a CAIR SO₂ opt-in unit, even if such requirements arise or shall be complied with after the withdrawal takes effect.

E. If the permitting authority denies the CAIR SO₂ opt-in unit's request to withdraw, the CAIR designated representative may submit another request to withdraw in accordance with subsections A and B of this section.

F. Once a CAIR SO₂ opt-in unit withdraws from the CAIR SO₂ Trading Program and its CAIR opt-in permit is terminated under this section, the CAIR designated representative may not submit another application for a CAIR opt-in permit under 9 VAC 5-140-3830 for such CAIR SO₂ opt-in unit before the date that is four years after the date on which the withdrawal became effective. Such new application for a CAIR opt-in permit will be treated as an initial application for a CAIR opt-in permit under 9 VAC 5-140-3840.

G. Notwithstanding subsections A through F of this section, a CAIR SO₂ opt-in unit shall not be eligible to withdraw from the CAIR SO₂ Trading Program if the CAIR designated representative of the CAIR SO₂ opt-in unit requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to the CAIR SO₂ opt-in unit of CAIR SO₂ allowances under 9 VAC 5-140-3880 C.

9 VAC 5-140-3870. Change in regulatory status.

A. If a CAIR SO₂ opt-in unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040, then the CAIR designated representative shall notify in writing the permitting authority and the administrator of such change in the CAIR SO₂ opt-in unit's regulatory status, within 30 days of such change.

B. The permitting authority and the administrator shall take the following actions.

1. If a CAIR SO₂ opt-in unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040, the permitting authority will revise the CAIR SO₂ opt-in unit's CAIR opt-in permit to meet the requirements of a CAIR permit under 9 VAC 5-140-3230[, and remove the CAIR opt-in permit provisions.] as of the date on which the CAIR SO₂ opt-in unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040.

2.a. The administrator will deduct from the compliance account of the source that includes [a the] CAIR SO₂ opt-in unit that becomes a CAIR SO₂ unit under 9 VAC 5-140-3040, CAIR SO₂ allowances equal in amount to and allocated for the same or a prior control period as:

(1) Any CAIR SO₂ allowances allocated to the CAIR SO₂ opt-in unit under 9 VAC 5-140-3880 for any control period after the date on which the CAIR SO₂ opt-in unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040; and

(2) If the date on which the CAIR SO₂ opt-in unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040 is not December 31, the CAIR SO₂ allowances allocated to the CAIR SO₂ opt-in unit under 9 VAC 5-140-3880 for the control period that includes the date on which the CAIR SO₂ opt-in unit becomes a CAIR SO₂ unit under 9 VAC 5-130-3040, multiplied by the ratio of the number of days, in the control period, starting with the date on which the CAIR SO₂ opt-in unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040 divided by the total number of days in the control period and rounded to the nearest whole allowance as appropriate.

b. The CAIR designated representative shall ensure that the compliance account of the source that includes the CAIR SO₂ [opt-in] unit that becomes a CAIR SO₂ unit under 9 VAC 5-140-3040 contains the CAIR SO₂ allowances necessary for completion of the deduction under subdivision a of this subdivision.

9 VAC 5-140-3880. [CAIR] SO₂ allowance allocations to CAIR SO₂ opt-in units.

A. Timing requirements shall be met as follows:

1. When the CAIR opt-in permit is issued under 9 VAC 5-140-3840 E, the permitting authority will allocate CAIR SO₂ allowances to the CAIR SO₂ opt-in unit, and submit to the administrator the allocation for the control period in which a CAIR SO₂ opt-in unit enters the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G, in accordance with subsections B or C of this section.

2. By no later than October 31 of the control period [after the control period] in which a CAIR [SO₂] opt-in unit enters the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G and October 31 of each year thereafter, the permitting authority will allocate CAIR SO₂ allowances to the CAIR SO₂ opt-in unit, and submit to the administrator the allocation for the control period that includes such submission deadline and in which the unit is a CAIR SO₂ opt-in unit, in accordance with subsection B or C of this section.

B. For each control period for which a CAIR SO₂ opt-in unit is to be allocated CAIR SO₂ allowances, the permitting authority will allocate in accordance with the following procedures:

1. The heat input (in mmBtu) used for calculating the CAIR SO₂ allowance allocation will be the lesser of:

a. The CAIR SO₂ opt-in unit's baseline heat input determined under 9 VAC 5-140-3840 C; or

b. The CAIR SO₂ opt-in unit's heat input, as determined in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part, for the immediately prior control period, except when the allocation is being calculated for the control period in which the CAIR SO₂ opt-in unit enters the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G.

2. The SO₂ emission rate (in lb/mmBtu) used for calculating CAIR SO₂ allowance allocations will be the lesser of:

a. The CAIR SO₂ opt-in unit's baseline SO₂ emissions rate (in lb/mmBtu) determined under 9 VAC 5-140-3840 D and multiplied by 70.0%; or

b. The most stringent state or federal SO₂ emissions limitation applicable to the CAIR SO₂ opt-in unit at any time during the control period for which CAIR SO₂ allowances are to be allocated.

3. The permitting authority will allocate CAIR SO₂ allowances to the CAIR SO₂ opt-in unit with a tonnage equivalent equal to, or less than by the smallest possible amount, the heat input under subdivision 1 of this subsection, multiplied by the SO₂ emission rate under subdivision 2 of this subsection, and divided by 2,000 lb/ton.

C. Notwithstanding subsection B of this section and if the CAIR designated representative requests, and the permitting authority issues a CAIR opt-in permit [(based on a demonstration of the intent to repower stated under 9 VAC 5-140-3830 A 5)] providing for, allocation to a CAIR SO₂ opt-in unit of CAIR SO₂ allowances under this subsection (subject to the conditions in 9 VAC 5-140-3840 H and 9 VAC 5-140-3860 G), the permitting authority will allocate to the CAIR SO₂ opt-in unit as follows:

1. For each control period in 2010 through 2014 for which the CAIR SO₂ opt-in unit is to be allocated CAIR SO₂ allowances,

a. The heat input (in mmBtu) used for calculating CAIR SO₂ allowance allocations will be determined as described in subdivision B 1 of this section.

b. The SO₂ emission rate (in lb/mmBtu) used for calculating CAIR SO₂ allowance allocations will be the lesser of:

(1) The CAIR SO₂ opt-in unit's baseline SO₂ emissions rate (in lb/mmBtu) determined under 9 VAC 5-140-3840 D; or

(2) The most stringent state or federal SO₂ emissions limitation applicable to the CAIR SO₂ opt-in unit at any time during the control period in which the CAIR SO₂ opt-in unit enters the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G.

c. The permitting authority will allocate CAIR SO₂ allowances to the CAIR SO₂ opt-in unit with a tonnage equivalent equal to, or less than by the smallest possible amount, the heat input under subdivision a of this subdivision, multiplied by the SO₂ emission rate under subdivision b of this subdivision, and divided by 2,000 lb/ton.

2. For each control period in 2015 and thereafter for which the CAIR SO₂ opt-in unit is to be allocated CAIR SO₂ allowances.

a. The heat input (in mmBtu) used for calculating the CAIR SO₂ allowance allocations will be determined as described in subdivision B 1 of this section.

b. The SO₂ emission rate (in lb/mmBtu) used for calculating the CAIR SO₂ allowance allocation will be the lesser of:

(1) The CAIR SO₂ opt-in unit's baseline SO₂ emissions rate (in lb/mmBtu) determined under 9 VAC 5-140-3840 D multiplied by 10.0%; or

(2) The most stringent state or federal SO₂ emissions limitation applicable to the CAIR SO₂ opt-in unit at any time during the control period for which CAIR SO₂ allowances are to be allocated.

c. The permitting authority will allocate CAIR SO₂ allowances to the CAIR SO₂ opt-in unit with a tonnage equivalent equal to, or less than by the smallest possible amount, the heat input under subdivision a of this subdivision, multiplied by the SO₂ emission rate under subdivision b of this subdivision, and divided by 2,000 lb/ton.

D. Recordation shall be performed as follows:

1. The administrator will record, in the compliance account of the source that includes the CAIR SO₂ opt-in unit, the CAIR SO₂ allowances allocated by the permitting authority to the CAIR SO₂ opt-in unit under subdivision [2 A 1] of this [subsection section].

2. By December 1 of the control period in which a CAIR [SO₂] opt-in unit enters the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G, and December 1 of each year thereafter, the administrator will record, in the compliance account of the source that includes the CAIR SO₂ opt-in unit, the CAIR SO₂ allowances allocated by the permitting authority to the CAIR SO₂ opt-in unit under subdivision A 2 of this section.